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ARGENTINA

SEGBA STRIKE REGIME'S FIRST POLITICAL TEST

Protests Against Strike

Buenos Aires HERALD in English 18 Oct 76 p 6 PY

[Editorial: "Who Rules?"]

[Text] The outcome of the current strike by power workers will decide who is running the country: the armed forces or the trade unions. The circumstances have produced a perfect scenario which could reveal what the future holds for Argentina.

The power workers have been on strike for 13 days now--despite the state of siege, which expressly forbids such action; despite the Industrial Security Law which also prohibits such action; and despite threats and warnings from the government. The strike is not over a major issue. The decision of the navy man appointed to administer SEGBA to declare between 200 and 300 workers redundant would have probably passed without a murmur if it had been made shortly after the coup. After all, not a single voice of protest was raised over the imprisonment of all the leading trade union bosses. Why then, should there be such a swift and decided reaction to the dismissal of a few hundred workers? The answer is that the people declared redundant included Oscar Smith, leader of the Light and Power Union, and a number of other delegates. The administrator argues that they were taking advantage of their trade union status to shirk work.

At stake is an important principle. Is this government strong enough to impose its will on a powerful trade union? On the face of it, everything is on the government's side. Although some people in the center of the federal capital have not been affected by the strike of power workers (there appears to be more control over the strikers in the city than there is in the suburbs), many people living outside the city have been seriously inconvenienced since the beginning of the strike. One housewife noted the other day that she had been without electricity (and, as a consequence water, for 10 days). She thought that the strikers should pay a proportion of her electricity bill in compensation. Other suburban dwellers have had to go to relatives in other areas to enjoy a bath or wash clothes. This has made the strike distinctly unpopular. The government should take advantage of this.



As it is facing the wealthiest and most privileged trade union in Argentina (and perhaps the world), the government should have little difficulty in getting public opinion on its side. A member of the powerful Light and Power Union enjoys more privileges than a member of the Jockey Club. He can stay at luxury hotels for his holidays at cut rates, enjoys expensive sports and cultural facilities and receives a range of social, medical and recreational services that are unmatched. This in itself would not be a bad thing--if, like a member of the Jockey Club the Light and Power Union members paid for these privileges. It is the public, however, which pays for the light and power workers' free electricity and reduced-price services.

These privileges have, up to now, purchased a degree of compliance from the light and power workers. Even in the most militant strikes called by the CGT, the light and power workers maintained power supplies. Now, when faced with the first move to bring the notoriously over-staffed SEGBA company under control, the Light and Power Union has gone out on strike. If the union triumphs, the armed forces might as well forget all their plans to reorganize the country on modern lines, to make industry produce more and provide efficient services for consumers. This is the government's first major political test. All informed people in Argentina--and in many other countries in the world which know what it is to be ruled by the trade unions--will be watching to see who is going to rule Argentina in the future.

#### Government Warned: Hear Union Complaints

Buenos Aires HERALD in English 21 Oct 76 p 8 PY

[Article by Antonio Rodriguez Villar: "The Unions Must Be Heard"]

[Text] The problem with the Light and Power Union indicates, without the slightest doubt, that the union's turn has arrived. And it has arrived at an extremely grave time which might have unpredictable consequences.

What is happening now with the Light and Power Union should not have come as a surprise to anyone. One cannot deceive oneself and pretend that this unrest could not have been expected by the government and/or the union leaders. Now, perhaps, for the first time since 24 March, the armed forces are facing a threat that cannot be described as subversive.

It is essential to make a definite and absolute distinction between what is subversion and what are justified workers' claims. And we are not just speaking about this particular light and power workers' strike. We are considering the country's entire economy and how the purchasing power of the peso as well as the value of wages have been affected.

Subversion is despicable. It is despicable in all its forms. The assassination of a member of the armed forces or an executive as well as the kidnapping and subsequent assassination of a priest or an extreme leftwinger are equally despicable. The life or death of a human being cannot be subject to his or

her ideas. Pacification is not going to be achieved in our nation by using guerrilla methods to wipe out guerrillas. Nobody can claim moral authority to condemn subversion if they acquiesce to the use of guerrilla techniques to rid the country of subversion.

The situation in the ITAIO and SEGBA power companies is a test for the government, which cannot afford to reverse its stand. It is no secret that the light and power workers enjoy a series of privileges which are not enjoyed by other unions. But can you blame a union for having obtained any kind of fringe benefits? In fact, such benefits speak very highly of their leaders. What really concerns me is the situation in other unions. Do all have similar privileges, or, to use a more appropriate word, social conquests?

In truth, nobody can claim not to be worried by the current situation of the economy. It is beside the point now to argue whether the situation is the result of mistakes by past governments or the present one. What really is to the point is that the workers--meaning most of the country's inhabitants--are worried by the situation which affects them personally. Many don't know how they are going to survive if a solution is not found very soon. Monthly wages barely suffice to keep hunger at bay and one must pray not to fall ill because the price of medicines is beyond the possibilities of most people's budgets.

The government, therefore, should be extremely careful to avoid the danger of "McCarthyism." To ask for higher wages is neither communism nor subversion. We won't go into the question of whether the 200 dismissals at SEGBA were right or wrong. The problem is the rest of the unions, the whole of the Argentine working class.

I fully understand that everybody's effort is needed to overcome Argentina's economic crisis. But "everybody's effort" should not mean just the effort of the working classes who have always had to bear the brunt of emergency measures to correct the mistakes and even insanity of past economic "saviours."

If the extreme left or the extreme right uses this union unrest to provoke clashes of any kind they should be punished with the utmost rigor. But if union leaders submit their case in a civilized manner to the military government, they should be heard. If they are not, we should not be surprised if those who lend them an ear are precisely the extremist groups. The consequences of this eventuality would mean renewed chaos.

CSO: 3020

ARGENTINA

IMPORTANT SUBVERSIVE LEADER KILLED

Buenos Aires NOTCIAS ARGENTINAS in Spanish 1535 GMT 21 Oct 76 PY

[Text of communique released by III Corps in Cordoba on 21 October 1976]

[Excerpt] The III Corps commander reports:

1. That at 0600 on 20 October, due to information provided by the population, a section of the Captain Caceres Task Force of the 5th Infantry Brigade carried out a sweep operation in search of subversive criminals who had been seen by the people of the area.

On the same day at 1930, near Solco, Chicligasta Department, Tucuman Province, after a continuous search, the Caceres Task Force took three men by surprise near a mountainous area.

The subversives tried to escape, protecting themselves with shots from their weapons.

The military force attacked with violence and speed to prevent their escape. The subversives were killed instantly.

The three subversives killed belonged to the self-named group Compania de Monte Ramon Rosa Gimenez and those identified are: Lionel MacDonald, alias Captain Raul, head of the group; and Miguel Alberto Rios, alias Walter, second in command, who is presumably from another province.

The subversives had in their possession a 12.70 gauge shotgun, a 22-caliber carbine, false identity documents and other documents which are being investigated.

The fact that MacDonald was the leader of this subversive group which was operating in the mountains from the middle of 1975, is enough to show the significance of this new military success. His participation within this subversive organization involved him in various incidents such as the frustrated attempt to take over the 17th Air Transport Infantry Regiment in Catamarca, Manchala and others.

His aggressiveness and fanaticism made him the leader of this group which has, with his death, suffered a new and decisive blow which is one more of the many blows dealt out by the task force and which is driving the subversives to unavoidable total destruction.

Lionel MacDonald, alias Captain Raul, is the third leader of the group killed by government forces.

The others killed before him were: Jorge Carlos Molina, alias Captain Pablo, killed on 8 October 1975 in Las Mesadas; Manuel Negrin, who replaced Molina, was killed on 9 October 1975 in Los Sosas.

This end is, without any doubt, what the members of this group and those who will replace them will have to expect.

CSO: 3020

ARGENTINA

ACTIONS AGAINST MRS PERON, LOPEZ REGA PRAISED

Buenos Aires HERALD in English 21 Oct 76 p 8 PY

[Editorial: "The Law's Long Arm"]

[Excerpt] The growing public concern over the seemingly slow course of justice--and the apparent failure of the investigating judges to come up with new evidence--in the trial of the deposed president, Mrs Peron, and her close circle of advisors, will have been assuaged by yesterday's news.

The judicial embargo (for 324 million pesos) placed on the Peron estate at the Puerta de Hierro in Madrid and the search carried out in the house (with the discovery of documents that are germane to the corruption charges brought against Mrs Peron) will have a healthy effect on public opinion. People had begun to think that the promise to clean up public life once and for all by dealing with past corruption in an exemplary manner had been forgotten. The old cynicism of the past had begun to set in again. As so many people in Argentina are convinced that corruption in government is not only endemic but natural and that "they" always leave office with their pockets lined, it is important to restore confidence. The example of honesty and honor set by the present government is not enough in itself. The people have a right to see those who looted the public treasury brought to justice and punished. It is also important to make it clear that nobody is above the law. The Peron mansion, on Millionaire's Row in Madrid, is a symbol of corruption. The house alone is estimated to be worth close on a million dollars--a sum far beyond the possibilities of the poor man the late president always claimed to be. Worse still, it has been public knowledge for a long time now that the house, called 17 de Octubre in Puerta de Hierro, has been the hideout of Mr Lopez Rega, who is a fugitive from justice. Public opinion had begun to fear that Lopez Rega was beyond the law. The judicial investigation into the Peron house has shown that Argentine law has a long reach. And the report that the secretary of Judge Sarmiento, who ordered the search, found evidence to suggest that Lopez Rega was still in the house as recently as 5 September holds out the hope that justice may catch up with him one day soon.

CSO: 3020

ARGENTINA

FEMALE MONTONERO LEADER KILLED IN ROSARIO

Buenos Aires NOTICIAS ARGENTINAS in Spanish 1644 GMT 21 Oct 76 PY

[II Corps communique issued in Rosario on 21 October]

[Text] The commander of II Corps informs the people that in the city of Rosario:

1. In a street control and identification operation carried out by military and security personnel, a person resisted an order to stop, firing a gun.

Confronted with this situation, the control personnel opened fire on that person, who was later identified as Estela Miguel, alias "Lala," an active woman leader in the organization outlawed in 1975 [Montoneros].

A Browning 9-mm pistol without number, with a clip and a bullet in the chamber was taken from the woman who had shot at security personnel.

2. Manuel Angel Fernandez and Ana Maria Ferrari de Fernandez were arrested in a house at 1521 Agrelo St, where a large quantity of glue sticks [obleas] and printed letters intimidating and threatening police personnel were seized, in addition to various papers and pamphlets related to the organization declared illegal in 1975.

CSO: 3020

## BOLIVIA

### IRON AND STEEL INDUSTRY PLAN UNDER STUDY

La Paz EL DIARIO in Spanish 9 Oct 76 p 1 PY

[Text] The government has decided that the national iron and steel industry will be started on the basis of the Mutun iron ore deposits, following the feasibility studies made by the Arthur G. McKee international consultants.

The government decision was released yesterday after a long Cabinet meeting during which the minister of mines and metallurgy submitted the consultants' studies.

The basis of national iron and steel policy is Decree No 10,521 of 3 October 1972, Article 1, Clause E, which says that the iron and steel industry must be planned to satisfy internal and external market demands, to be economically accessible, and to be strategically necessary.

Complying with these objectives, the Bolivian iron and steel enterprise, Sidersa, contracted the services of the Arthur G. McKee and Co international consultants.

In light of the feasibility studies made so far, the government has decided to follow a course of developing a national iron and steel industry.

In this regard, the minister of mines and metallurgy, Gen Jose Zelaya, released to the news media a document regarding the execution of the national iron and steel plan. The document states:

I. The start of the national iron and steel industry will be based on the Mutun iron ore deposits, which have a strategic nature due to their geographic location and magnitude. The following projects are to be implemented as soon as possible:

A. An integrated complex based on blast furnaces that burn charcoal, with concentration plants, blast furnaces, reduction, conversion into steel in oxygen convertors, and continuous casting and rolling. Capacity will be determined by agreements signed with our neighbors.

B. A direct reduction complex with the following industrial installations: open pit mines, concentration, pelletization and direct reduction.

It is advised that, to start with, the annual capacity be the minimum profitable and competitive, with plans for gradual increases according to future market opportunities.

II. Execution of the national iron and steel plan must consider balanced industrial development in accordance with the priorities established in the 5-year plan in relation to the importance of the central project. Within this spirit, and to help the government's development policies, it has been decided to consider the establishment of a national iron and steel center, subject to the following studies and after clear demonstration of its technical, socio-economic, financial and institutional feasibility.

A. Use of the Changolla iron ore deposits for the production of iron, with the purpose of satisfying the country's internal demand resulting from the assignments of the Andean market.

B. The installation of a rolling plant in Santa Cruz to satisfy national needs for construction and light steel. The plant will first use imported steel billets and then the national iron and steel plant will use raw materials produced in this country.

CSO: 3010



BOLIVIA

ARGENTINE EXTREMIST CAPTURED BY SECURITY FORCES

La Paz EL DIARIO in Spanish 1 Oct 76 p 1 PY

[Text] Oruro, 30 Sep--Luis Stamponi, an Argentine extremist has been arrested in Llallagua's mining sector. Stamponi escaped security forces in Cochabamba some weeks ago, when they discovered an extremists hideout and fought with a group of extremists.

Luis Stamponi was arrested on Tuesday at 0300, as a result of confessions made by the two extremists arrested, who reported Stamponi's whereabouts.

The operation was carried out by 12 members of the security forces, who surrounded Stamponi's two-story house. Stamponi fired his machinegun at the security forces; but it jammed after the first shot, allowing the security forces to capture him.

CSO: 3010

## BRAZIL

### CDI FIGURES REVEAL IMPORTANT FACTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 76 p 59 PY

[Text] The list of projects approved to receive fiscal incentives from the Industrial Development Council [CDI] in the first half of this year shows two important facts: First, the capital goods, raw material and semifinished goods sectors will receive 90 percent of the fixed investments planned and, second, the importation of machinery and equipment is much larger than the purchase in the internal market, thus reversing last year's trend. The government earmarked 15.6 billion cruzeiros for the purchase of machinery, 13.62 billion cruzeiros (almost 87 percent) for purchases abroad and only 1.97 billion for domestic purchases.

The concentration of investments in the basic sectors results from the government policy of incentives for those sectors which can contribute to import reduction. As to the high volume of machinery purchases abroad, experts believe that it is a temporary trend that will be reversed with the projects approved for the second half of the year. They point out that the greatest portion of imports is mostly related to the expansion projects of Minas Gerais Iron and Steel Mills [USIMINAS] and Petrobras which were approved in May, demanding investments of \$335.3 million (3.8 billion cruzeiros) for the purchase of foreign machinery and equipment.

The 118 projects approved by the CDI in the first half of this year call for fixed investments of 37.3 billion cruzeiros, almost double the investments in 871 projects last year.

Basic metallurgical industries and semifinished metal goods production will receive the greatest portion of investments approved in the first half of this year: 30.2 billion cruzeiros, of which 11.6 will go into the purchases of equipment, but only 5.7 million cruzeiros for purchases in the internal market.

Chemicals, petrochemicals and pharmaceuticals will have investments of 4.17 billion cruzeiros. Equipment purchases will amount to 2.35 billion cruzeiros, 1 billion within the country.

Projects for production of nonmetallic semifinished goods, of cement, paper and cellulose will draw investments of 1.76 billion cruzeiros, and most machinery purchases will be made at home--658 million cruzeiros out of a total of 941 million.

The capital goods sector will have investments of 516 million cruzeiros. The government earmarked 287 million cruzeiros for purchase of machinery and equipment. Of this only 87 million will be spent in the national market.

Finally, consumer goods and the motor industry will have the smallest investments--205 million cruzeiros and 408 million cruzeiros, respectively. The motor industry will spend 168 million cruzeiros for equipment, 87 million within the country, the consumer goods sector will spend 234 million for machinery, 76 million cruzeiros in Brazil.

Despite the heavy initial expenditures for the purchase of machinery abroad, CDI experts say that the concentration of investments in the sectors of capital goods and raw materials will allow the gradual elimination of the critical dependency on imports. In addition to that, investments in whose sectors have ripple effects, generating investments in other areas. These experts conclude that we are going through another cycle of import substitution.

These experts also point out that the predominance of national enterprises is significant. Of the total investments receiving fiscal incentives, 87 percent is to be made by national companies, compared to 77 percent last year.

The geographical distribution of investments is the following: Rio de Janeiro State took most of them, 19.8 billion cruzeiros, 53 percent of the total; Minas Gerais, 9.9 billion; Sao Paulo, 3.2 billion; Parana, 1.98 billion; Sergipe, 1.41 billion; Rio Grande do Sul, 256 million; Bahia, 359 million; Pernambuco, 146 million; Alagoas, 144 million; Para, 10 million; and Santa Catarina, 7.6 million.

CSO: 3001

BRAZIL

SIMONSEN, BUSINESS DIVIDED OVER ECONOMIC STRATEGY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Oct 76 p 2 PY

[Castello's column: "New Tactics But the Same Strategy"]

[Text] It is said that President Geisel, joint staff officer that he is, is willing to reexamine his strategy any time the results of decisions taken are at variance with government objectives. This comment is made in official circles in reference to the president's willingness to replace for 1977 the range of measures involved in the economic and financial policy, but without discarding the basic idea of achieving self-sufficiency during his tenure in the production of basic materials and wheat, which use up most of our foreign exchange. It is not difficult to conclude, therefore, that in this case only the tactics changed, not the strategy. Critics of government policy consider the change of tactics insufficient, and they are sure that the results will continue to be negative so long as the government insists on achieving in a very short time a self-sufficiency that no nation can achieve in less than 15 years.

The cases of nations such as India are cited, where the same objective was tackled and, according to analysts, economic disaster has always resulted--a disaster from which those nations have not yet recovered. One can, therefore, assume that continuing the strategy--Planning Minister Reis Velloso sees no alternative to this--hamstrings the tactics, which for the first time will deeply cut into government projects, but without necessarily relieving the private sector. Everything will be sacrificed, in the private and public sector, to reduce the impact of inflation and slow economic progress. Priority industries in the government program will be spared, however. Everyone knows that most of those projects are behind schedule, in some cases even because final decisions on the type of investment were not made.

The planning minister's emphasis on his refusal to recommend economic demobilization to the nations' president is a sort of advanced reply to those who believe that a recession is indispensable to put the house in order. Classical economists think it is not only necessary but unavoidable that any public project that worsens import needs must be abandoned.

Brazil ought to curtail its current production capacity and drop any ambition for development until the financial situation is straightened out and the impact of the crisis caused by necessary oil imports is absorbed. The only investment that cannot be argued against is oil exploration, where more should be opened to foreign capital and technology.

Brazilian businessmen, as is known, are used to putting their trust on the line of economic thinking of which the leading exponent among us is Professor Eugenio Gudín, who quickly expressed public reservations about the management of his youngest and most brilliant student, Minister Mario Henrique Simonsen. The finance minister agreed with the planning minister and, although he succeeded in applying extensive restrictive measures to the public sector, approved plans for self-sufficiency in basic materials by 1980. To those of his economic ideology, the finance minister committed heresy serious enough to justify businessmen in pulling away from him and from the government--businessmen who, in Rio and São Paulo, feel burdened with a heavier load of sacrifice. It was expected that Simonsen would fight for an effective reduction in public investment as the best way to recover monetary health.

Cuts in the budgets of projects for 1977 will be sizeable, and the finance minister is probably thinking that he will then be able to mend the split between businessmen and government, which occurred during this crisis. The credibility of the managers of the nation's finances declined greatly in 1976 because the results were the opposite of what was expected to be obtained from the measures adopted. There was a mistake: A mistake in evaluation or in the technique used to fight inflation and to hold back the GDP growth rate. Simonsen, who is not using the type of management available through the abundance of state instruments, will have difficulty in repairing the situation, especially since the government's basic strategy continues under critical fire from well-known and increasingly organized sources.

CSO: 3001

## BRAZIL

### BELLOSO: ECONOMIC ACTIVITY TO BE REDUCED DRASTICALLY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Oct 76 p 17 PY

[Text] Brasilia--The government rejects the idea of a recessionary process, but it is determined to drastically reduce economic activity next year. The measures to be soon adopted attempt to keep the inflation rate between 20 and 25 percent. The increase of the gross domestic product [GDP] which this year will oscillate between 7 and 8 percent, will have to stay between 4 and 5 percent, while the deficit in the trade balance--approximately \$2.3 billion this year--will have to be reduced by 50 percent.

This is what Planning Minister Reis Velloso said or suggested yesterday when he talked with a group of journalists here to tell them about some of the ideas with which the government is studying for a strategy to meet the emergency. He did not say that the government's goal was to limit inflation to that level, either because he prefers to talk about qualities than quantities, or because it is a government decision not to make predictions. This goal, however, underlies all the minister's thinking and it has been repeatedly mentioned by the government.

As the crisis, which was undergoing its worst stage, was shaping up, Minister Velloso reaffirmed that the government had no way out but the gradual method or the gradual deceleration of economic growth, rather than adopting the drastic measures followed by other countries severely affected by the petroleum crisis. He admits, however, the frustration of this year's programmed objectives, because the adopted measures did not succeed in containing the growth of the GDP--which was intended to be at a level just above demographic growth--and consequently, the deficit in the trade balance and the inflation rate expanded. He said that the policy was unable to control the expansion of a rapidly growing economy.

He believes that this brings about the central idea of the strategy being considered now: Expanding all existing measures and adopting other new ones that will permit a more drastic struggle against the expansion of the economy, but not so drastic as to lead the country to a recession. The position followed is that of slowing down gradually to such a degree

that the effort to try to substitute for imports is not derailed, and thus, give a permanent solution to these problems. Under these conditions, the government cannot change the idea of spreading out the crisis, in the sense of the measures adopted and their impacts, throughout the period believed to be necessary to obtain results in substituting for imports. This is a strategy obviously tailored to the purpose of confronting the crisis with measures based on the results being achieved.

Minister Reis Velloso continues to believe that investments in the public sector are not the dominant inflationary factor. He quoted figures to show that the cost of living through September increased by 34.9 percent while public services increased by only 23.5 percent. Exhibiting a chart of public investments by large sectors (budgetary and nonbudgetary resources), he said that the average increase in 1976 over 1975 was smaller than the inflation rate. Thus, Petrobras investments increased by 30 percent, National Steel Company [CSN], Minas Gerais Iron and Steel Mills [USIMINAS] and Sao Paulo Steelmaking Company [COSIPA] by 37 percent, although Val do Rio Doce Co increased investments by 128.6 percent. In the infrastructure area, Electrobras increased investments by 61.5 percent, Telabras by 32.4 percent, Postal and Telegraph Co [ECT] by 26.9 percent, National Highway Department [DNER] by 39.5 percent, Portobras by 56.3 percent, National Merchant Marine Superintendence [SUNAMAM] by 15.3 percent and National Housing Bank [BNH] by 43 percent.

CSO: 3001

BRAZIL

RISK CONTRACTS URGENT FOR BALANCE OF PAYMENTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 76 p 3 PY

["Notes and Information" Column: "From Monopoly to Servility"]

[Text] The 1976 National Energy Report published by the Mines and Energy Ministry tells without hesitation of criminal irresponsibility against the nation. Either we get more foreign enterprises interested in risk contracts or we will be depending on imports for our oil supply 10 years from now. Projections of our current production show that in 1985 we still have to import 53.9 million tons. If we take into account secondary recovery and extrapolate the small success we have had so far in continental shelf exploration, we will still be depending on the import of 19.3 million tons. Otherwise, we are left with the risk contracts.

We have to get rid of a nightmare, the nightmare that became of the dreams, fantasies and myths they had us living in for 20 years. This nightmare is a \$16-billion oil bill in 1985, a still optimistic figure based on no more than a 10-percent price increase per year.

In the 50's Petrobras planners promised oil self-sufficiency to the country, first within the 1952-56 period and later by 1959. The promises are still unfulfilled 20 years after they were due, but paradoxically they gave rise to a myth and a taboo, the myth that the consolidation of our nationality was only possible through the state oil monopoly and the consequent taboo of the untouchability of Petrobras, the mixed economy enterprise created by Law No 2.004 of 3 October 1953.

Few had the courage to oppose this joke of judging the different positions on the basis of their rationality. And those few who opposed the screaming majority were instantly nicknamed "toadies." It was as though the national sentiment could be nourished with aggressivity toward and hatred of foreigners, as though patriotic solidarity was no different, in degree or nature, from the gregarious habit of animals gathering in self-defense at the mere presence of a different species.



It is worth remembering the position defended by this newspaper then for the validity it maintained. About our trade balance we said on 27 August 1951 (2 years before the creation of Petrobras): "Thus it becomes obvious that Brazil needs to develop its own production lest its balance of payments become more burdened by the day with expenses to buy abroad a product that is abundant but unexplored in our country. Oil imports are taking an ever greater portion of the profits made by other areas of the Brazilian economy." In the meantime, the idea of monopoly pervaded the policy left behind by the Dutra Government in the "petroleum statute," aimed at merging state and private actions, not discarding foreign capital participation.

National emancipation was an urgent problem for us, long before dependency became today's nightmare: "Now the world consumption demand makes the possibility of agreements between Brazil and foreign capital for the establishment of the new oil industry easier than ever. It would be a crime if an absurd bias that cannot stand up against the most elementary reasoning were to cause us to miss this favorable occasion, when in other sectors, such as mining for instance, the cooperation of foreign capital is proving favorable for the country's interests.

The crime was committed, and we are now paying for it with the forced deceleration of the national economy, with worsening inflation and with external indebtedness. But those who played the joke yesterday are still sitting on the Petrobras board, making fun of reason, of the nation's tribulations and of the image of a country that wants to meet its obligations and does not know how.

A precious year was lost in signing the first risk contract, and we wonder if the companies that accepted the rigid rules established by Petrobras did so with the intention of finding oil or just so they would not be disliked. Let us hope that Petrobras' zealous devotion to the national interest is more trustworthy than the promises of self-sufficiency 20 years ago, so that crime against the country does not continue to pay.

The oil-producing countries, with power today disproportional to their geographic or political positions--look at Kuwait and the Arab Emirates, for instance--are proof of the senselessness of monopoly and the negative nationalism that supported it. Toward the end of the 50's one of the authors published by the Brazilian Higher Studies Institute--the ill-fated ISEB--wrote that in the Arab countries "the trusts still keep... concessions of a colonial character that give them freedom of action."

We are begging today at the doors of those colonies of Exxon, Shell and British Petroleum. Their decisions determine the viability of the second national development plan, and to cater to their benevolence we are resorting to servility in international politics by being nonaligned in ethical commitment but aligned to financial convenience.

Because we thought that our whims would be promptly obeyed by the whims of the geology that creates oilbearing structures, we claimed oil to be "ours" that we did not even know we had; we fed the promises of self-sufficiency with the myth of monopoly--without capital, without technology for quite a while and without allowing foreigners to work.

As to the slogan "oil is ours," it was more wild emotion than honest dedication. And, now in the face of expanded consumption--largely thanks to work and achievements in other areas of the economy--it brought us to a negative and humiliating situation--the pending prospect of oil rationing. The day the country stops for lack of oil, the nationalists of yesterday and the saboteurs of the risk contracts of today should be required to go on a pilgrimage of repentance. On foot, of course.

CSO: 3001

## BRAZIL

### COMMENTATOR NOTES ARENA STRATEGY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Oct 76 p 2 PY

[Castello's column: "A Strategy with National Implications"]

[Text] With the Sao Paulo Legislative Assembly case [mismanagement of operational funds in the Sao Paulo Legislative Assembly, where the MDB holds the majority], the MDB lost an excellent opportunity to demonstrate that it is sufficiently mature to conscientiously and effectively exercise the power of government. However, this is not the reason for the proliferation of ARENA candidates for the state governorship that began even before that episode. MDB candidacies were launched some time ago and their names came up during the electoral and political events of 1974. The appearance of these ARENA candidates represents a new political reality. They are coming out not necessarily to win an election or to vye for people's votes, but to bring about, by their presence on the stage, a change in the system of political and economic management that no longer responds to the interests and aspirations of the leading class. In Sao Paulo is located the core of a movement that may well expand throughout the nation, because it is like a vanguard offering the nation alternatives for government.

The ARENA aspirants in Sao Paulo are well known and some of them already said that they want to be candidates. Among them we can find Ambassador Delfim Neto, former Governor Abreu Sodre, businessman Gastao Vidigal, former Mayor Salim Maluf and former Governor Laudo Natel, who is the only one with any chance in a direct electoral contest. This group of experienced and capable candidates for governor knows that, under the present rules of the game, they will not enter the Bandeirantes Palace. They are outstanding personalities in their state who, although maintaining the line appropriate to their party membership or to the positions they hold, have adopted an attitude of criticism at the present stage of the revolutionary process and who would like to offer alternatives to bring about a transition without disturbing the regime under which we live.

Summing up, the group, which is identified with the Sao Paulo businessmen's circle and has prestige in other centers of decision, is intent on recovering power, but they know that any conspiratorial attitude is unthinkable. They probably have proposals and suggestions to make. We know that Delfim Neto put his political imagination to work and is now encouraging the organization of an ARENA subgroup [sublegenda] nationwide. This would be an ARENA II, with the participation of Senator Sarney in Maranhao, Joao Agripino in Paraiba, Antonio Carlos Magalhaes in Bahia, Magalhaes Pinto in Minas Gerais and so forth in each state, to form a strategic command with the most representative state leaders.

The second step in this project--which is not necessarily opposed to President Geisel, but rather might offer him a solution for the 1978 impasse--would be the suspension or abolishment of the party loyalty law, which deforms democracy, so as to make possible in all the states, either by direct or indirect election, alliances which would constitute a third force capable of assuming the government without military opposition. Should this project advance, it could provoke a split in the MDB in Sao Paulo, for instance, and the formation of a front of this party or some of its main factions with the ARENA that represents the Sao Paulo businessmen, but not, since the defeat of Carvalho Pinto, the Sao Paulo electorate.

Plans and projects are not always perfect. In the case of this project in Sao Paulo, which we already reported about some time ago, its creators are running the risk of getting overrun by candidates running on an outside lane, but whose weak party position and weak electoral chances can be strengthened by powerful alliances. Minister Severo Gomes is considered to be in the line of succession in Sao Paulo precisely on that lane and his remarks in favor of a new economic model can identify him with MDB sectors having stronger grassroots. Although he is also a businessman, Severo Gomes is not included in that group who want to offer the nation that political alternative we mentioned at the beginning and aims at the control of national power by Sao Paulo. Severo Gomes is running alone and with a clear ideological message.

CSO: 3001

BRAZIL

SIMONSEN PROMISES ECONOMIC AID TO STATES

Aparecida Radio Aparecida in Portuguese 1430 GMT 22 Oct 76 PY

[Text] Speaking in Sao Paulo, Finance Minister Mario Henrique Simonsen said that the Brazilian states are confronted with a very difficult financial situation, and that the central government is very concerned about that. He added that the government will start taking measures to balance the economy of the states in 1977, and revealed that he is inclined to change the national taxation code to improve relations between the government and the taxpayer.

The opposition maintains that the present code only serves to strengthen the federal government at the expense of the states and municipalities. [passage indistinct] The balance of payments will have a deficit this year of 44 billion cruzeiros, 17 percent more than last year, according to the finance minister. As to the trade balance deficit, it may go up to 23 billion cruzeiros. These figures given by the finance minister, according to well-known economists from both parties, show the extent of the current downswing of the Brazilians' economy.

CSO: 3001

BRAZIL

RIO STATE PASSES STRICT CONTROLS ON IMPORTS

Brasilia Domestic Service in Portuguese 2200 GMT 25 Oct 76 PY

[Text] Rio de Janeiro--Foundations and organizations administered directly or indirectly by Rio de Janeiro State will only be allowed to import, lease, rent or acquire in internal or foreign markets, foreign machinery, equipment, vehicles, spare parts and accessories if no similar national ones exist, and then only with prior authorization by the governor.

This decision was released through decree signed by Administration Secretary Ilmar Penna Marinho Jr. and Governor Faria Lima.

CSO: 3001

CHILE

CARABINEROS RELEASE COMMUNIQUE ON MACUL SHOOTING

Santiago Radio Minería Network in Spanish 1630 GMT 21 Oct 76 PY

[Text of carabineros press communique]

[Text] On Wednesday afternoon at 1830, when carabineros security personnel were patrolling the Macul sector they surprised two suspicious individuals at the intersection of Los Platanos and (Las Dalias) Sts. When they were interrogated by the policemen they suddenly drew firearms hidden in their clothes and opened fire. The attack was repelled by the carabineros; and as a result one of the individuals was seriously wounded.

The other fled to the Metalco factory where he found three workers who were still there and forced them at gunpoint to leave the factory. He then took refuge in the dining room of the factory. The police surrounded the place and used teargas in an attempt to dislodge him. However he remained in the room; and the carabineros therefore had to break into the room. At that time they found that the man had died from a bullet wound received in the initial clash.

None of the individuals carried any kind of identification documents and the one who had been arrested refused to reveal any information regarding his comrade or himself. He was immediately taken to the carabineros hospital where he was operated on twice; but he died at 0745 this morning.

Two passers-by, Rosa Gomez Gomez and Francisco Gomez Torres, were also wounded in the shootout. The former was sent home after having been treated at the carabineros hospital, and the latter is hospitalized at Health Center No 4 for wounds, the seriousness of which has not been revealed.

Security personnel are now trying to identify the two persons killed.

CSO: 3010

CHILE

BRIEFS

NEW NAVAL APPOINTMENTS--Santiago, Chile, 20 Oct--Rear Adm Raul Lopez Silva, commander in chief of Naval Zone III in Punta Arenas, has been appointed commander in chief of the Operating Squadron, replacing Vice Adm Hugo Castro Jimenez. The latter has been appointed general director of naval personnel. The government has made other changes in the Navy. Rear Adm Eduardo Allen Hahn, current director of personnel, will become chief of the Navy Cabinet [Jefe de Gabinete de la Armada] in the military junta. Rear Adm Jorge Sabugo Silva, chief of the National Defense General Staff, has been appointed commander in chief of Naval Zone III. [Text] [Buenos Aires IPS in Spanish 1937 GMT 20 Oct 76 PA]

CSO: 3010



## CUBAN SUBVERSION IN AFRICA

Paris EST ET OUEST in French 1 Oct 76 pp 14-19

[Article by Michel Fichet]

[Text] Cuban penetration in Africa is nothing new and Fidel Castro has always supported African liberation movements and progressive regimes very actively. At the end of 1975, 2,000 Cuban draftees, both military and civilian, were working overseas in Guinea, Sierra Leone, Guinea-Bissau, Somalia, the Congo (Brazzaville) and Equatorial Guinea, helping to complete many economic, military and political projects.

But the massive military intervention of Cuban troops in Angola, beginning in the fall of 1975, revealed to public opinion the existence of a Soviet-Cuban partnership determined to pursue its objectives with the greatest possible vigor, without taking Platonic Western protests into account.

In a speech delivered on 15 March 1976 in Conakry, on the occasion of the meeting of the chiefs of state of Guinea, Guinea-Bissau and Angola, Fidel Castro summed up the meaning of his troops' intervention in Angola in the following way:

"There exists a revolutionary camp and there exists proletarian internationalism. If the imperialists want to know what proletarian internationalism is, Angola has provided them with a magnificent example.... It is not only Cuba that has helped the people of Angola. The people of the Republic of Guinea also sent men to fight alongside the MPLA. The people of Guinea-Bissau sent soldiers and the Soviet Union supplied large quantities of weapons.... The American imperialists issued threats and blackmail to revolutionary countries because of their solidarity with Angola, but it was in vain: The socialist and progressive countries remained at the side of the people of Angola."<sup>1</sup>

### New Cuban Challenge

In order to demonstrate this fighting solidarity in the Third World, in order to fulfill its internationalist duty, Cuba does not hesitate to intervene

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<sup>1</sup> Complete text issued on 18 March 1976 by PRENSA LATINA.

militarily in Africa, Latin America or the Near East. More than ever, the slogan of 1960 is the order of the day: "The duty of every revolutionary is to make revolution." During the early years of the Castro regime, Cuban diplomats were expelled from a dozen Latin American countries for having tried to apply the motto. Ephemeral revolutionary fronts were set up in Nicaragua, Panama, Santo Domingo and Haiti. In order to ensure these revolutionary attempts with a minimum of coordination, a tricontinental conference was held in Havana in 1965. It was followed in 1967 by the first conference of the Latin American Solidarity Organization (LASO). Everyone remembers Che Guevara's appeal for the creation "of one, two, many Vietnams," which brought him death in the Bolivian mountains.

Havana's links with Marxist or progressive elements in Africa are long-standing and solid. On 22 December 1975, at the First Congress of the Communist Party of Cuba, Fidel Castro expressed satisfaction over having helped Algeria twice, first against France and then against Morocco. In the same speech, the Cuban leader listed other countries that had benefited from active solidarity with Havana: Syria, the Congo (Brazzaville), Guinea, Guinea-Bissau, Somalia, South Yemen. Privately, some officials added the Popular Front for the Liberation of the Occupied Arab Gulf (PFLOAG). At that congress of the Communist Party of Cuba, Fidel Castro very symbolically announced the election to the Central Committee of Pedro Rodriguez Peralta, a Cuban officer taken prisoner by the Portuguese when fighting in the ranks of the PAIGC of Guinea-Bissau and freed by the "Carnation Revolution" of 25 April 1974. In November 1970, when the Portuguese landed in Conakry, Cuban elements opposed the Guineans hostile to Sekou Toure and who had taken advantage of the opportunity to try to overthrow the regime. Even today, several hundred Cubans protect Sekou Toure and it is possible that aid was given to the Polisario Front in the affair in the Western Sahara.

Portugal, susceptible to revolutionary uprisings, also seems to have interested the Cubans. There are only fragmentary figures making it impossible to give an exact estimate of the number of Castroite agents who infiltrated Portugal when the procommunist team of Gen Vasco Goncalves was in power in Lisbon. In the months that preceded the attempted leftist putsch of 25 November 1975, Portuguese security counted the arrival at the Lisbon airport of 345 Soviets, 291 Cubans, 270 Hungarians, 190 Poles and 109 Czechs. This movement was stepped up during the month of October, particularly with the arrival of 97 Soviets and 86 Cubans. On the other hand, in December, as if the communists had given up, only 21 Cubans and 8 Soviets arrived at the Lisbon airport. The same settling down was observed during the early months of 1976. But for several months, thanks to the complicity of the Goncalves government, planes from the Soviet fleet went back and forth between Havana, Lisbon and Luanda, where the procommunist faction of the Armed Forces Movement was helping the MPLA to impose its dictatorship on the Angolan people. Likewise, the civilian airport in the Azores served as a stopover point for cargo planes carrying Cuban troops to Angola. According to Philippe Bernert,<sup>1</sup>

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<sup>1</sup> Philippe Bernert: "The Cuban Invasion of Portugal," L'AURORE, 16 March 1976.

the Cuban agents who infiltrated Portugal were supervised by the Cuban colonel Ovarzum.

In its natural area of influence, Cuba also plays an active role by supporting revolutionary elements in the Caribbean. Diplomatic relations have been renewed with Jamaica, Barbados, Trinidad and Tobago and Guyana. Fidel Castro denounces French colonialism in the Antilles and the Communist parties in Guadeloupe and Martinique, which are independent of the French Communist Party, often refer to the Cuban model and its historic leaders: Jose Marti, Che Guevara, Fidel Castro. The objective defined by Jose Marti in the statutes of his Cuban revolutionary party, set up in 1892, was to "achieve the complete independence of the island of Cuba and to plan for and work toward that of Puerto Rico." It was acclaimed even more by the First Congress of the Cuban Communist Party because it is a matter of fighting the hereditary enemy: the United States.

#### Decisive Intervention in Angola

"We do not stand with our arms folded when we see an African nation, a brother people, being brutally attacked by South Africa. We do not stand with our arms folded and we shall not do so.... We are helping Angola and we shall continue to help Angola." In his closing speech before the First Congress of the Communist Party of Cuba on 22 December, Fidel Castro affirmed what the whole world already knew. The close relations between the MPLA and Cuba are not new; they go back to 1961. Many Angolan cadres studied in Cuba and ideological, military and material support from Havana has never been lacking, which is completely logical if one will refer to the Soviet Encyclopedia for 1963, page 200, which states: "The MPLA was founded in 1956 at the urging of the Communist Party."<sup>1</sup>

The Cuban expeditionary corps is made up of some 12,000 to 15,000 men commanded by five generals: Gen Casas Regueiro, commander in chief; Gen Arnaldo Ochoa; Gen Raul Menendez Tomasevich; Gen Julio Casas; and Gen Rigoberto Garcia Fernandez, in charge of troop training.

The heavy weapons supplied by the Soviets included tanks, antiaircraft missiles, guided antitank missiles, and Mig-21's, without counting the "Brezhnev organs," the 1976 version of the famous "Stalin organs."

Delivery of this material required the setting up of a veritable airlift with stopoffs in East Europe, the Cape Verde islands and Conakry. As for the Cubans, they arrived in Luanda after stopping in Barbados, Guinea-Bissau and the Congo (Brazzaville). The Soviet-Cuban partnership functioned perfectly, replacing an MPLA that was incapable of containing its adversaries and carrying off a decisive military victory.

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<sup>1</sup> See Bechir Ben Yahmed: "The USSR, America and Us," JEUNE AFRIQUE, 30 January 1976.

Officially speaking, there was no Cuban military engagement in Angola until the speech delivered on 22 December by Fidel Castro at the close of the First Congress of the Communist Party of Cuba. Information on the exact nature and scope of the intervention is therefore difficult to verify, even though the two Havana dailies, GRANMA and JUVENTUD REBELDE, devote frequent reports to events in Angola. On the other hand, the resolution approved by the First Congress of the Communist Party of Cuba speaks very explicitly about "fighting solidarity" and states, with respect to the Cuban engagement in Africa and after mentioning Algeria, Guinea, the Congo and Somalia: "We are proud of having contributed in a modest way to the independence of Guinea-Bissau. We support the cause of Mozambique, which has already been liberated, and express our satisfaction over the cooperation agreements established with Tanzania and Zambia. Today, when the independence won by Angola under the leadership of the MPLA is threatened with intervention by the agents of imperialism and the South African racists, Cuban communists, who express the feelings of our people and take their inspiration from the internationalist example of Che Guevara, reiterate the promise of comrade Fidel Castro made to Vietnam, and we state that we are ready to shed our blood for the freedom of Angola."

Although it has normalized relations with Communist parties that opposed guerrilla wars inspired by Castro, Cuba has not given up using the Guevara myth. Only initiatives viewed as "spontaneous" in nature are condemned, but Havana has not given up exporting revolution abroad through the use of arms.

The Cuban expeditionary corps was aided in its task by military experts, who were mainly Soviet and East German. At the same time, symbolic detachments from procommunist countries such as Mozambique also participated in the fighting alongside the MPLA.

At the time of President Agostinho Neto's visit to Cuba at the end of July, Fidel Castro indicated very clearly that Havana would continue to help the Angolan regime in all sectors: "At the request of the authorities in Luanda, Cuban units remain at the disposal of the government of the People's Republic of Angola in order to fight any new aggression. They will remain there as long as necessary."

At the close of his visit, the Angolan president was awarded the Order of the Bay of Pigs, one of the highest Cuban distinctions. It was presented to him by President Oswaldo Dorticos. The Order of the Bay of Pigs is given for "exceptional feats in the struggle against imperialism and colonialism, for peace and the progress of mankind."

#### Alignment With Moscow

Western leftists have always nourished the hope that Third World revolutions, which are by nature national or even nationalistic, would successfully oppose the Soviet hegemony. When Fidel Castro took power on 1 January 1959, Cuba did not become a communist satellite overnight. After 10 years of the

Castro regime, it seemed that an original revolution, freed from any tutelage under Moscow, was spreading in the Caribbean, constituting a new model for the Third World. In 1968, the trial of Annibal Escalante, the former secretary to the organization of the single Castroite party, and 34 other defendants brought out into the daylight a "microfaction" accused of acting at the prompting of Moscow. They were given heavy sentences, from 4 to 15 years imprisonment, and exposed to the revolutionary condemnation of the people. Thus brought into question, the Soviets recalled their specialists, stopped their deliveries of equipment for a few weeks and reduced oil shipments to a dribble. The showplace of socialism in the Caribbean was on the brink of collapse. Out of this test of strength, the Soviets emerged victorious and let it be known. On 23 August 1968, on the heels of the invasion of Czechoslovakia, Fidel Castro denounced in a speech "the counterrevolutionary path" taken by Dubcek and congratulated the Soviets for having put an end to this experiment which posed a direct threat to capitalism and imperialism.

Since that time, Cuba's bondage has increased by leaps and bounds. In Algiers in 1973, at the conference of nonaligned countries, Fidel Castro made himself an advocate for the Soviets and clashed with Colonel Qadhafi. "The Cuban army is stuffed with Soviet experts, beginning with the general staff. The secret services (General Intelligence Directorate), organized in the beginning with the aid of the Soviets, are now practically under their control. The economy remains dependent on the USSR with \$4 billion in debts, whose payment is deferred until 1986. Since July 1972, Cuba has belonged to COMECON, the economic organization of the Soviet bloc. Finally, in the first 'socialist' constitution, proclaimed at the end of February, one finds Cuba's membership in the Soviet bloc in fraternal friendship."<sup>1</sup>

It was during the trip he made to Moscow in 1972 that Fidel Castro obtained from the USSR important aid in the form of industrial equipment (electricity, nickel, sugar industry, railroad equipment), as well as the consolidation of the Cuban foreign debt under extremely advantageous conditions. Repayment of loans contracted for from the beginning of the revolution until 31 December 1972 was spread out over 25 years, with the first payments deferred until 1986. Moreover, the USSR awarded Cuba a new credit to make up for the imbalance in commercial trade between the two countries from 1973 to 1975. Cuba's dependency on the USSR is total. That is perhaps what Leonid Brezhnev wished to recall at the time of his official visit to Cuba, stating, on 29 January 1974: "The Cuban revolution has never been alone and never will be."

When Will They Leave?

The Cuban contribution in Angola is not only military; it also extends to the country's political organization. In a message addressed to the Swedish prime minister, which arrived in Stockholm on 23 May, Fidel Castro announced

<sup>1</sup> See Branko Lazitch, "The Spearhead of Communist Expansion," LE FIGARO, 5 May 1976.

the beginning of the withdrawal of the Cuban contingent. But it would appear that the withdrawal, if indeed there is one, is taking place at a snail's pace. As for President Neto, he states: "We shall no longer need our Cuban comrades when our armed forces are capable of mastering modern military techniques, when our FAPLA [expansion unknown] have assimilated the technique of operating sophisticated weapons and the conduct of a 20th century war."

Certain observers do not hesitate to present Angola as the first African-Portuguese-Latin American state or to wager about possible Cuban integration, with the fighting men being transformed into veritable draftees serving overseas in a civilian capacity. Moreover, several hundred military advisers have arrived as support in Luanda in order to help the MPLA establish its order in a country which is not yet perfectly under control.

The guerrillas do not give the Cuban troops and the FAPLA of the Luanda regime any respite. More than in the Cabinda enclave and the northern provinces, it is above all in the central region inhabited by Ovimbudus that the fiercest combat pits the underground UNITA soldiers against the Cuban troops. On the Bie plateau and in the Cuando-Cubango region, Jonas Savimbi's men refuse to yield and continue their guerrilla operations against the Soviet-Cuban intervention. For the UNITA leader, "Angola will be ungovernable until we are all in Luanda. The MPLA must get used to seeing the UNITA in the rural areas."

The Portuguese weekly TEMPO recently published a long interview with a Cuban officer who deserted from the Cuban expeditionary corps. It shows that the Cuban intervention is not the object of universal approval:

"We were not unaware of the reason for that mobilization.... One evening, we were discreetly put aboard the 'Irmany,' a freighter that flies the Cuban flag but whose crew was Russian. Beside our unit, the ship was carrying Soviet weapons and materiel: tanks, cannons, ammunition. When we were about halfway, we were informed of the purpose of the expedition: to help the Angolan people oppressed by the South African mercenaries.... We had no direct relations with the FAPLA and we were forbidden to make contact with the local population.... Men and women without clothing came up to us to ask for food.... But we understood immediately that the political commissars had lied to us. Not only were we not fighting to free the Angolan people, but we were fighting against those people, who were unanimous in supporting the UNITA partisans who were harassing us at every turn."<sup>1</sup>

#### Cuban Model

The Cuban peril is still far from being avoided and many observers wonder about Havana's attitude in the very plausible case of an intensification of guerrilla actions against Rhodesia from Mozambique and against southwestern Africa (Namibia) from Angola. Sam Nujoma, president of the SWAPO (South-West African People's Organization), returning from a trip to the USSR, declared

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<sup>1</sup> See LE FIGARO, 25 August 1976.

on 22 August in Lusaka: "We have enough armed forces to fight and win in Namibia. But we need material assistance from Cuba and other countries."

Moreover, the stepping up of Cuban military assistance to the Congo (Brazzaville) worries Zaire, the Central African Republic and Gabon. According to certain information, the Cuban contingent in Guinea was reportedly increased recently from 340 to 1,000 soldiers, which gives food for thought at a time of domestic crisis when Sekou Toure is purging his militia, imprisoning some of his ministers and threatening the Ivory Coast and Senegal, when he is not unleashing a wave of anti-Peuhl racism.

Under such conditions, one wonders about the reasons that prompt a certain number of Africans who are not necessarily sensitive to the enticements of "proletarian internationalism" to look sympathetically upon Cuban intervention. Naturally, the spellbinding Afro-Cuban rhythms played all day long by African radios can make one forget that Cuba is not an island where it is good to live and where one can enjoy singing and dancing, but a satellite depending on Moscow and deprived of the most basic freedoms.

Nevertheless, two reasons can explain the relative success of the Cuban penetration: the powerlessness of Western nations to settle the problems in southern Africa and the myth of a Cuban revolution that is different from the other socialist revolutions.

At the time of his trip to France, President Houphouet-Boigny issued a pathetic appeal to the Western nations that remain indifferent to Africa and by their apathy encourage the progression of communism: "To cut Europe off from Africa is to separate it from its raw materials. Then the chips will be down and poor Africa! It is hitched to the European wagon and it is a wagon bogged down between two precipices."

As for the myth of a Cuban revolution washed clean of the sins of the other socialist revolutions, two famous travelers, Francois Mitterrand and Gaston Defferre, illustrate it particularly well by their statements on the occasion of the visit which a Socialist Party delegation made to Cuba in October 1974.

LE MONDE of 23 October 1974 recalls Francois Mitterrand's judgement on Fidel Castro: "A modest man, desirous of being understood, open, generous, searching for a new ethic." LE MONDE of 9 November 1974 gives us Gaston Defferre's impressions: "Return from Cuba: Success in the agricultural, social, cultural and diplomatic fields: All of this is remarkable, especially when one makes comparisons with the other islands in the Caribbean or the French islands which are developing thanks to an increasingly marked colonial exploitation, social injustice, unemployment and poverty. One is led to pose the following question: What does freedom mean without a minimum standard of living? Do we not need a socialist regime so that a developing country can 'take off'?"

With such propagandists, one can better understand how the Cuban model has such an attraction for certain Third World countries. But reality is a completely different thing. Cuban workers would be very happy to be able to enjoy the standard of living of Guadeloupe or Martinique workers. In Cuba, socialism is oppression without any minimum living standard.

As in all socialist countries, the only success is the army. According to the Strategic Studies Institute in London, Cuba was already better armed than Brazil in 1973. At that time, the Cuban army had over 600 tanks, 18 submarines, 215 fighter planes. Brazil had only 450 tanks, submarines and 242 planes.

It took 17 years after Castro's takeover to see the First Congress of the Communist Party. Stalin's record (13 years without calling a congress) was beaten. The people had to wait until 30 June 1974, 15 years after the triumph of the revolution, to see the regime experiment with the first municipal elections with universal suffrage in one province, Matanzas Province. It is true that the election machine is now ready, since L'HUMANITE of 4 September 1976 triumphantly announced that on 10 October, the province of the "Granma" would be the first province in the world administered by women. What a strange country! What strange elections! What strange freedoms!

Humanistic socialism does not exist in Cuba today any more than it does in Czechoslovakia, the invasion and normalization of which Castro supported. Cuban subversion, better adapted to Africa than Soviet subversion because of cultural, language, racial and behavioral similarities, is still in the service of the policy conceived, designed and implemented by the Moscow strategists.

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CUBA

# LETELIER ASSASSINATION BLAMED ON U.S. BY CHILEAN COMMITTEE

Havana GRANMA in Spanish 23 Sep 76 p 5

[Report on press conference of the Chilean Committee of Solidarity with the Antifascist Resistance in Havana, held on 22 September at Committee headquarters in Havana, by Arnaldo Musa]

[Text] The Chilean Committee of Solidarity with the Antifascist Resistance in Havana has accused the American Government and its machinery of repression of the assassination of Orlando Letelier. It also warned world public opinion about the possibility of more assassinations of this type.

"For his fruitful work in universities, unions and religious circles and with American congressmen, Letelier attracted the growing hostility of reactionary and imperialist forces, above all, of the agents of the military junta who operate with impunity in that country," it was reported at the press conference held yesterday at the committee's headquarters in this capital.

The Chilean Socialist Party's representative in Cuba, Julio Benitez, said that the former UP [Popular Unity] foreign minister worked intensely, as the official responsible for diplomatic tasks in the United Nations and on behalf of the Chilean people, to encourage the General Assembly to condemn the Pinochet regime more vigorously this year.

"We pay homage to this consistent, indefatigable and honest fighter, whom the fascists were unable to bend in their concentration camps and who, when he was forced to leave the country, gave his best to contribute to the earliest possible overthrow of the tyranny that subjugated the Chilean people," Benitez said.

It was reported at the press conference that on two occasions, the FBI tried to intimidate Letelier so that he would leave the United States, just as it had Christian Democrats Radomiro Tomic and Gabriel Valdes.

The American police organization alleged that it "knew of plans to assassinate them," for which reason Letelier made the FBI itself responsible for his personal safety.

Later on in the conference, the secretary general of the MAPU [Unitary Popular Action Movement], Guillermo Garreton, reported on the declaration signed in Berlin by UP parties in which a broad, united, antifascist and anti-imperialist people's struggle alternative is presented.

The statement proposes the development of concrete actions with antifascist sectors of Christian Democratic groups and with all Chilean progressive circles so as to achieve the fall of the military junta, "the crucial issue concerning which every Chilean can and must take a stand."

As for the Movement of the Revolutionary Left, the declaration takes a positive view of talks held.

Finally, the representative of the MAPU-OC (Worker-Peasant) in Cuba, Carlos Bau, reported on important decisions made by leaders of antifascist Christian sectors of Christian Democratic and UP groups in New York in order to fight the fascist junta of Pinochet in a consistent manner.

Also present at the press conference were Rodrigo Rojas, a member of the political commission of the Communist Party of Chile, Roberto Navarro, from the Radical Party, and Carlos Campos, from the Christian Left.

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CUBA

#### CIA ROLE IN LETELIER DEATH INVESTIGATED

Havana GRANMA in Spanish 25 Sep 76 p 5

[Text] Progressive U.S. media demanded an official investigation of the role played by the CIA and other governmental organizations in the assassination of Orlando Letelier and an investigation of the CIA's support of the activities of the repressive DINA [National Intelligence Department] in North American territory.

Officials of the Institute of Political Studies, recently headed by the former foreign minister of the Chilean Popular Unity Government, sent a letter to the chairman of the U.S. Senate Oversight Committee on Intelligence Activities. It stated that the U.S. special intelligence media have absolute control and know the activities of DINA in the United States in detail.

In a press conference at the institute, its officials--Richard Barnet and Marcus Raskin--emphasized that there is no doubt that "the Pinochet junta is involved in the terrible assassination of that distinguished member of Salvador Allende's government."

In San Jose the Legislative Assembly and the Costa Rican Socialist Party renounced Letelier's assassination and asked their government to transmit their protest to the Chilean regime.

In the Interparliamentary Union Council held in Madrid, Venezuelan Senator Luis Herrera Campins stated that "democracy and freedom are suffering harsh blows in Chile." After condemning Orlando Letelier's assassination, he pointed out that "when it is not known who has committed a crime, it is necessary to look to see who might benefit from it."

#### Letelier's Body to Be Sent to Caracas Tuesday

Caracas, 24 Sep (PL)--The governor of Caracas, Diego Arria, announced that the body of former Chilean foreign minister, Orlando Letelier who was assassinated in Washington will be brought here next Tuesday.

Arria said that North American Senator Edward Kennedy and other U.S. congressmen will attend the posthumous services.

The Venezuelan Committee of Solidarity with Chile exhorted leaders of the different political organizations and representatives of the workers of the country to attend Letelier's funeral.

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CUBA

USSR EXPERTS WORK ON POWERPLANT MAINTENANCE

Havana GRANMA in Spanish 25 Sep 76 p 2

[Article by Joaquin Oramas: "Soviet Expert Brigade Participates in Powerplant Maintenance Work in Cuba"]

[Text] A brigade of 35 highly trained specialists is participating in essential repairs on units at different power plants in the country. It will also work on those planned for 1977 according to the Ministry of Electrical Industry.

Engineer Genadiy Kravtsov, head of the group of Soviet specialists detached to the Powerplant Maintenance Enterprise, stated that part of the brigade is presently working on essential repairs on the 66-megawatt Unit 6 at the "Otto Parellada" power plant in Havana.

The Soviet contingent is made up of engineers, medium-level technicians, mechanics and welders with long experience. They will work on the fundamental maintenance of the generation blocks of the "Maximo Gomez" power plant in Mariel. "Our brigade will be in Cuba all next year although if circumstances merit, we will work as long as necessary after 1977," engineer Kravtsov revealed to GRANMA. He added that tomorrow, Sunday, 26 September, another seven members of the Soviet brigade will arrive in Havana.

In addition to the maintenance work, the Soviet specialists will help train welders, mechanics and other workers as part of the personnel advancement program of the Powerplant Maintenance Enterprise.

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## CUBA

### SUGAR PRICE DECLINE ATTRIBUTED TO U.S. TARIFF RISE

Havana GRANMA in Spanish 25 Sep 76 p 5

[Article by E. L. Velazquez: "Sugar World"]

[Text] During the week that just ended, international sugar prices continued their decline. London lost 20 points; the price Friday was 7.60 cents per pound bulk FOB Cuba. New York went down 5 points to finish the week at 7.70 cents per pound under the same terms. The refined sugar market in Paris went down 116 points ending at 10.81 cents per pound.

The fundamental factor in this week's price decline was the measure taken last Tuesday by the U.S. Government. It tripled the tax on sugar imports for domestic consumption in order to protect domestic sugar producers. The fixed tax of 0.625 cents per pound was raised to 1.875 cents effective immediately. The measure means less competition from imported sugar and possible improvement of domestic prices in the North American market.

The Latin American countries that traditionally export to the United States feel that their interests will be seriously hurt by this measure.

There were very few sales this week except for the weekly sale of the EEC where 20,500 tons of refined sugar were sold. This figure is considerably higher than the quantities sold in recent months. Also Venezuela was at the market this week to purchase some 150,000 tons of sugar but the results are not yet known.

Following are the prices of the past week.

	Monday	Tuesday	Wednesday	Thursday	Friday
London	7.86	7.95	7.93	7.62	7.62
New York	7.90	8.00	7.50	7.50	7.70
Paris	11.98	11.92	11.23	11.07	10.81

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CUBA

#### AALAPSO CALLS FOR INCREASED SOLIDARITY WITH PUERTO RICO

Havana GRANMA in Spanish 23 Sep 76 p 5

[Text] On this 23 September, we celebrate the 108th anniversary of the Cry of Lares, the first national insurrection of the Puerto Rican people against the colonial yoke.

Since the armed intervention of American imperialism in Puerto Rico in 1898, 78 years of brutal economic, political, military, cultural and ideological penetration have gone by. But in its attempt to annihilate the foundations of the Puerto Rican nationality, the government of the United States faces the unbending determination for independence that is manifested in vigorous and increasing national opposition in Puerto Rico and a growing international solidarity with that brother country.

In recent weeks, there have been new demonstrations of international support for that just cause. On 19 August, the Fifth Summit Congerence of Nonaligned Nations expressed in its final statement its decision to "make every relevant effort to accelerate the process of decolonization of the Puerto Rican people and offer its solidarity and help so that self-determination and independence might be achieved."

That assembly also asked the Special UN Committee for Decolonization "to recommend to the General Assembly effective measures in order to implement Resolution 1514 (XV) concerning Puerto Rico."

A few days later, on 7 September, the UN Committee of the 24 decided by a consensus to reaffirm Puerto Rico's right to self-determination and independence and agreed that in the year to come, measures should be considered guaranteeing fulfillment of previous resolutions adopted by the committee with regard to the colonial case of Puerto Rico.

These international successes of the national liberation movement of the Puerto Rican people were achieved in the midst of one of the most intense campaigns of pressure and threats waged by American imperialism, which wants the international community to accept its arguments on Puerto Rico. The UN nonalignment decisions approved this year constitute a clear defeat of



the imperialist endeavor to see that Puerto Rico is considered as a domestic affair of the United States. American imperialism, aware of this growing struggle on the island as well as in the United States, where over 2 million Puerto Rican expatriates live, has also increased repression and the harassment of patriotic forces.

American and colonial repressive agencies are now implementing a vast repressive apparatus aimed at annihilating the Puerto Rican national liberation movement, particularly the Puerto Rican Socialist Party leaders and members. Part of this effort is the calling of an American congressional subcommittee in order to consider the approval of measures aimed at the repression of the independence movement.

The American Government persists in its criminal effort to keep Puerto Rico under its colonial domination. But on the other hand, the Puerto Rican people are fighting to exercise, for the first time in their history, their right to self-determination and independence and proclaim the Republic of Puerto Rico by whatever means are necessary.

For that reason, the Executive Secretariat of AALAPSO calls on all its member organizations, progressive nations and governments to increase their solidarity and support to the struggle of the Puerto Rican people for their national independence, given the strategic importance which the liberation of the homeland of Betances and Albizu Campos has for the peace and progress of all nations in the world.

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CUBA

HUNGARY EXTENDS CREDIT WORTH 40 MILLION PESOS TO CUBA

Havana GRANMA in Spanish 25 Sep 76 p 5

[Text] Havana (AIN)--Cuba and Hungary signed a credit agreement worth 40 million pesos that will be in effect from 1977 to 1980. It will be granted to Cuba to purchase equipment, machinery, complete factories and their accessories from Hungary.

The agreement was signed in Havana and Budapest by Hector Rodriguez Llompart, a member of the Central Committee of the Communist Party of Cuba and vice chairman of the National Commission of Economic, Scientific and Technical Collaboration, and Jeno Tordai, vice chairman of the Cuban-Hungarian Commission of Economic, Scientific and Technical Collaboration.

The Hungarian ambassador to our country, Vilmos Meruk, and the trade attache, Ivan Sos, were present at the signing in Cuba along with Cuban officials.

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CUBA

# RAUL CASTRO TOURS POLISH MILITARY BASES

Havana GRANMA in Spanish 25 Sep 76 p 1

[Text] Warsaw, 24 Sep (PL)--Division Commander Raul Castro, second secretary of the Communist Party of Cuba, first vice prime minister and minister of Revolutionary Armed Forces, visited military installations near this capital today.

As part of today's activities, the Cuban delegation visited the Advanced Officers School of the "Colonel Boleslaw Kolaski" Communications Troops where it met with professors and students.

Also it visited one of the air defense units accompanied by Brigade Generals Jan Cieslik and Longin Lozowicki.

Army General Wojciech Jaruzelski, the minister of national defense and a member of the Politburo of POUP [Polish Unified Labor Party], gave a luncheon in this capital for Raul Castro and his delegation.

Other Cubans present were the ambassador to this country, Jesus Barreiro, and the military, air and naval attache, Commander Giovanni Gonzalez.

Raul Castro began the official visit to Poland last Tuesday. He was invited by the Central Committee of POUP, the government and officials of the Ministry of National Defense.

Other members of the delegation from the Cuban Revolutionary Armed Forces are: Brigade Commander Raul Menendez Tomashevich; First Commanders Leopoldo Cintra Frias, Victor Shueg Colas and Rafael del Pino Diaz; and Ship of the Line Captain Emigdio Baez Vigo.

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## BRIEFS

SOLIDARITY WITH PUERTO RICO--Havana (AIN)--The Movement for Peace and Sovereignty of Peoples has released a statement here on the occasion of the Day of Solidarity with Puerto Rico, which comes to a close today. The text of the statement reads as follows: "The Movement for Peace and Sovereignty of Peoples, on the Day of Solidarity with Puerto Rico 85 years after the birth of Pedro Albizu Campos (12 September 1891) and on the eve of the 108th anniversary of the Cry of Lares (23 September 1868), an expression of the vigor of Puerto Rican nationalism and the date on which the First Republic was proclaimed, sends its firm and resolute message of support and encouragement to that brother nation. In the context of the situation in Latin America, the foundations of the Cuban Revolutionary Party created by Marti are even more relevant, for they stipulate that 'it is established in order to achieve, through the efforts of all men of good will, the absolute independence of Cuba, while promoting and aiding that of Puerto Rico.'" [Text] [Havana GRANMA in Spanish 23 Sep 76 p 5] 11,464

MOA NICKEL PLANT--Holguin--The Union of Young Communists in the future Holguin Province is mobilizing a force of 615 young people to work for 5 years on mining development projects in Moa. It is also working to recruit an additional 300 young people to register for the Holguin construction school so that they might be trained as skilled workers in various areas needed for the completion of important provincial development projects. The recruiting of young people to work in Moa is going on this month and will continue next month. It is hoped that tomorrow, 24 September, the first group will emerge, to be followed by the rest in October. This contingent will join hundreds of persons previously mobilized and who are doing outstanding work on plans to expand Moa. [Text] [Havana GRANMA in Spanish 23 Sep 76 p 3] 11,464

RAMON CASTRO IN GDR--Ramon Castro, director of the Valles de Picadura genetics plan, arrived in the Democratic Republic of Germany yesterday for a 5-day visit. Castro and the delegation he heads arrived from Vietnam, one of the five countries previously visited. (PL) [Text] [Havana GRANMA in Spanish 24 Sep 76 p 6] 11,464

CUBAN DELEGATIONS ABROAD--A Cuban delegation headed by the vice chairman of the Military Patriotic Front, Maj William Galvez Rodriguez, is making a friendly visit to Czechoslovakia and met yesterday with army Col Otakar Rytir, chairman of the Central Committee of the Union for Cooperation with the Armed Forces. A Cuban delegation of artists arrived in Lisbon to participate in the festival organized by the newspaper AVANTE, the official organ of the Portuguese Communist Party. The "Los Cana" group and singer Sara Gonzalez make up the delegation. Marcelo Fernandez Font, Cuban minister of foreign trade, left for Prague after signing commercial trade and payment agreements in Budapest. The agreements are between Hungary and Cuba for this 5-year period. A delegation from the Communist Party of Cuba, headed by Carlos Pis Delgado, member of the Central Committee, and including Julio Ballesta, an official from the Central Committee's General Foreign Relations Department, arrived in Copenhagen to attend the 25th Congress of the Danish Communist Party to be held from 23 to 26 September. Pham Van Dong, prime minister of the Socialist Republic of Vietnam, met in Hanoi with a Cuban delegation headed by Ramon Castro, director of the Valles de Picadura genetics plan, who has already concluded his visit to that country and left the Vietnamese capital. [Text] [Havana GRANMA in Spanish 23 Sep 76 p 5] 11,464

TOURISTS FROM HUNGARY--(PL)--Some 63 Hungarian tourists will soon travel to Cuba and Peru. They will spend 1 week in the capital of each country visiting recreational and historic sites. The first group of 34 people will leave Budapest on 2 October; the remaining 29 tourists will leave on 16 October. Both will stop first in Havana. [Text] [Havana GRANMA in Spanish 25 Sep 76 p 5] 7717

CUBAN SHIP FIRE--As this edition went to press, people from the General Department of Fire Prevention and Fire Fighting of MININT [Ministry of the Interior], the Revolutionary Navy and tugboats in the maritime service tried to extinguish a fire on the 10,500-ton Cuban ship "Coral." The deactivated ship was anchored in the bay across from the shrimp fleet. MININT is investigating the cause of the fire. [Text] [Havana GRANMA in Spanish 25 Sep 76 p 3] 7717

CUBA-ANGOLAN VISA AGREEMENT--(PL)--Cuba and Angola signed an agreement which will permit Cuban and Angolan citizens with diplomatic or special passports to remain in Angola or Cuba for up to 3 months without visas. The agreement was signed by the secretary general of the Angolan Ministry of Foreign Relations, Roberto de Almeida, and the Cuban ambassador, Oscar Oramas. [Text] [Havana GRANMA in Spanish 25 Sep 76 p 5] 7717

CUBA IN ATOMIC ENERGY MEETING--(PL)--The morning newspaper JORNAL DO BRASIL published the statements of Tirso Saenz Sanchez, the Cuban delegate to the International Atomic Energy Agency General Conference that is being held in Rio de Janeiro, Brazil. Saenz Sanchez stated that the problem of atomic energy "requires special analysis" concerning specific use "because the aggressive forces of imperialism and its allies conspire to endanger world peace." The Cuban delegate warned about the imperialist threat in Asia and Africa and said that "our delegation cannot help but view the sale of nuclear technology to the racist South African regime with apprehension." Finally the Brazilian newspaper stated that Saenz Sanchez pointed out that his country needs nuclear energy for the generation of electricity because it lacks fossil and hydroelectric resources. [Text] [Havana GRANMA in Spanish 25 Sep 76 p 5] 7717

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MEXICO

GUATEMALAN: MEXICO HAS DESIGNS ON BELIZE DESPITE DENIAL

Mexico City EXCELSIOR in Spanish 22 Sep 76 p 23-A

[Article by EXCELSIOR correspondent Jose Calderon Salazar on statements by Revolutionary Party Deputy Gonzalo Yurrita]

[Text] Guatemala, 21 September--"At the international level Mexico has tried to present itself as a model of development among the underdeveloped countries," declared Revolutionary Party Deputy Gonzalo Yurrita in commenting on that country's "designs" on the territory of Belize.

Yurrita added that "in order to formulate an opinion on the statements by the president-elect of Mexico, Jose Lopez-Portillo, we must make a prior analysis of Mexico at both the domestic and the foreign level."

"At the outset," Yurrita said, "Mexico basically tried to maintain leadership in Latin America. Later, the bloc of Third World countries was formed, and then Mexico tried to present itself as a model within the framework of those countries."

He added: "This priority policy at the international level forced it to put forth economic efforts that were very costly for its own domestic development in order to uphold Mexico as a model."

He went on to say that "as a result of these two policies, Mexico has been suffering from a deficit in its trade balance and in its debt contraction policy, which has put it in the serious economic crisis that it is currently experiencing, with a deficit of more than \$3 billion (60 billion pesos) in its trade balance."

The deputy continued: "Mexico has one of the largest foreign debts among Latin American countries, and its inflation is up to 35 percent. Mexico has tried to cover up this serious economic crisis by advocating a sort of leadership among Third World countries."

In conclusion Yurrita said: "Here is where the problem of Belize

comes into the picture because, due to this international policy, it resorts to saying that it has a claim to Belize while at the same time coming out in favor of self-determination."

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## MEXICO

### DIFFERENCES WEAKEN MEXICAN LEFT

Mexico City EL DIA in Spanish 23 Sep 76 p 3

[Article by Javier Zamora]

[Text] At a press conference the Socialist Action and Unity Movement (MAUS), the Socialist Workers Party (PST) and the Permanent Assembly of the Mexican Communist Party (PCM) called upon all the forces of the Left to establish an immediate program of common action.

They said that without the unity of the Left the unity of the people's forces will not be possible and that if an organized front is not established, it will not be possible to confront imperialist blackmail nor to put a halt to the fascist conspiracy against the country.

Speaking at the press conference were Miguel Angel Velasco, Carlos Sanchez Cardenas and Miguel Aroche Parra for MAUS; Rafael Aguilar Talamontes for the PST, and Manuel Terrazas and Edmundo Jardon for the Permanent Assembly of the PCM.

It was felt that the ideas of the Left have not had a major influence in Mexico because there have been differences "which have kept them scattered and atomized."

Aroche Parra stressed that the scattering of the forces of the Left has been the outcome of the differing strategical plans that have been pursued. There has been a great deal of individualism that must be overcome, and he added, "we haven't even been able to unify in jail."

Aguilar Talamontes stated that the organizations of the Left have not unified because they have lacked the technique of joining the masses and organizing in a democratic fashion.

Miguel Angel Velasco emphasized that the goal of unifying the forces of the Left also includes the goal of unifying action on the basis of a brotherly but in-depth discussion which will lead to an accurate assessment of the country's current political process and which will

establish objectives and common forms of struggle. "We can arrive at objectives which go beyond those established by bourgeois democracy," he pointed out.

Terrazas noted that putting a people's policy into practice is a current requirement. Further on he said that at the upcoming national assembly of the forces of the Left, to be held next Saturday, there will be good will and an outstretched hand towards all the forces that might wish to take part.

"It is now possible to strengthen the unity of the Left and to struggle and form an anti-imperialist front in order to thwart the advance of fascism."

He also felt that the assassination of Letelier is neither an isolated nor an incidental event inasmuch as "it is part of a mechanism activated by imperialism" which must be opposed.

In conclusion, Alfredo Pantoja, the secretary of labor relations of the PMT / Mexican Workers Party /, criticized his organization and added that "it has isolated itself from activities that require a more dynamic presence."

He emphasized that the bourgeoisie is not fooling around and that it is perfectly organized. "They hold real threats and at present," he added as an example, "they could feasibly paralyze passenger transportation throughout the country within 24 hours."

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## MEXICO

### DISSENSION AMONG LEFTIST GROUPS PERSISTS

Mexico City EL SOL DE MEXICO in Spanish 26 Sep 76 p 3

[Article by Sergio Candelas V.]

[Text] The forces of the Left swing like a pendulum whose extremes are the communists and the socialists and by their very nature they are not united since within them there exist two distinct groups, the bourgeois socialists and the radicals, Alvaro Echeverria Zuno stated yesterday.

After attending the first national assembly of the forces of the Left as an observer, Echeverria Zuno commented that an in-depth evaluation of this national phenomenon should be made.

He stressed that although the organizers invited all leftist organizations to the event, neither the Popular Socialist Party (PPS) nor the Mexican Workers Party were present, which was due precisely to the lack of unity.

At the meeting one of the speakers underscored the divisionism which has reigned for more than 50 years, during which time these forces have not been able to join together.

Echeverria Zuno stated that the absence of the PPS was perhaps due to the nearness of its national assembly, which will attempt to overcome internal differences, and that the absence of Heberto Castillo the president of the Mexican Workers Party, was probably due to his longstanding personal differences with the coordinators of the meeting.

The assembly of unification was held in Hidalgo Theater and was organized by the Mexican Communist Party (PCM), the Socialist Action and Unity Movement (MAUS), and the Socialist Workers Party (PST). It was attended by the representatives of some 50 leftist organizations.

At the main platform were Manuel Terrazas, from the PCM; Rafael Aguilar Talamontes, from the PST; Miguel A. Velasco, from MAUS; Natalio Vazquez and other activists on the left.

Two basic points were dealt with. There was talk of defending the constitutional propositions as a path towards socialism, and there was a call for changes in social structures.

Messages were read from Adriana Lombardo, from the UGOCEM / expansion unknown /, from the National Technical Confederation, from the House of Chile, signed by Hugo Vigorena, from Angelica Arenal de Siquieros, from the dissident group of the PPS, Alejandro Gascon Mercado, Manuel Stephens Garcia and others.

Alvaro Echeverria Zuno was invited by the speaker to the main platform, but he did not accept and followed the development of the meeting from the gallery.

At the conclusion of the meeting he was interviewed while seated on the edge of one of the fountains of the Alameda Central; he said that to call for socialism through the constitution "is very complicated," but he noted that "after all, there are honest and sincere with themselves."

At the assembly Miguel Angel Velasco, from the MAUS, said that the unity of leftist groups is essential in the search for democratic forces and in order to free the nation from its dependence on imperialism.

Manuel Terrazas, from the Permanent National Assembly of the PCM, referred to unity and spoke of the combative struggle to emancipate the masses, to move towards democracy and to build a new Mexico, and of taking political power away from the allies of economic power.

On behalf of the PST Rafael Aguilar Talamontes stated that the constitution must be defended as a path towards socialism and stressed that now more than ever conditions are right for the unification of the Left.

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MEXICO

CONSUMPTION OF PROTEINS HAS NOT INCREASED

Mexico City EL SOL DE MEXICO in Spanish 24 Sep 76 p 2

[Text] Acapulco, Guerrero, 23 September--Stating that progress cannot be achieved with a people that is apathetic and sickly because of poor nutrition, the vice president of the foodstuffs section of CANACINTRA [National Association of Manufacturers], Armando Dipp Varela, pointed out that Mexicans are not interested in having an adequate diet and that this has been the cause of a far greater increase in the sale of color televisions--after the salary increase in 1974--than in the purchase of foodstuffs.

He said this to hundreds of distributors of balanced foodstuffs for animals who are holding their XV Convention here in the company of representatives from the country's cattle breeders.

Dipp Varela added that 5 years ago Mexicans consumed an average of 14 kilos of beef, 4 kilos of chicken, 4 kilos of pork, 7 kilos of eggs and 100 liters of milk a year.

Today, consumption is practically the same, "which is cause for concern," because if it is true that per capita income has increased, it is also true that the population explosion is threatening to lower the above consumption figures.

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## MEXICO

### SELF SUFFICIENCY IN HYDROCARBONS BY YEAR 2000

Mexico City EL SOL DE MEXICO in Spanish 24 Sep 76 p B-1

/Text/ Even though by the year 2000 our country will have a demand for 1.837 billion barrels of crude oil, hydrocarbons self-sufficiency is fully assured to meet the requirements of the next 25 years.

This was revealed yesterday by Alfonso Cebreros Murillo, the assistant secretary of the national patrimony, as he initiated the round of conferences on national energy policy organized by the Mexican Association of Petroleum Geologists.

He stressed that the need to meet Mexico's energy demands is the duty of the federal executive because the energy sector belongs to the nation.

In the presence of several geologists attending the meeting, Cebreros said that at the worldwide level hydrocarbons are more in demand in order to satisfy the development process, which has led to an outlook of decreasing supplies and rising prices as a function of time.

Therefore, he added, Mexico has to maintain its position of self-sufficiency and of becoming a possible exporter until alternative sources to hydrocarbons are found.

He emphasized that our country's energy policy is and will be based for some decades on hydrocarbons, thanks to the gains that have been made, which indicate that Mexico's energy supply is fully guaranteed.

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TRADE FIGURES DETAILED FOR FIRST EIGHT MONTHS OF 1976

Montevideo EL DIA in Spanish 29 Sep 76 p 6

[Text] A surplus totaling \$11,136,000 shows our country's trade balance for the first 8 months of this year. The figure is significant if one takes into account the fact that during the same period in 1975, the trade balance had a deficit of \$132,173,000. It should be pointed out that the variation in the result of our foreign trade is mainly due to the notable increase in exports, which rose from \$222.24 million during the first 8 months of 1975 to \$363,814,000 in 1976. The variation is also due to some extent to the drop in imports, which went from \$354,413,000 to \$352,678,000.

Exports

The large increase in exports can be explained by two factors that had a decisive effect. On the one hand, there was the increase in nontraditional exports, which rose from \$96,174,000 to \$175,244,000, and on the other hand, traditional exports also increased, mainly because of beef sales, which rose from \$33,847,000 in 1975 to \$91,056,000 in 1976.

One should also note the positive trend in other export areas, such as textile materials, oils and fats, shoes, leather and furs, food products, beverages, tobacco, and so on.

Important declines were registered by grains and unwashed wool. The foregoing provides a picture of the amount of income earned by the different categories. In the case of meat and milk, it is necessary, as pointed out by the report issued by the Central Bank, to indicate volumes. For example, in the field of textiles, 43,017 tons of unwashed wool were exported compared with 47,359 last year. While the amount registered a certain decrease, what actually varied substantially was the makeup of exports, since this year 50 percent corresponded to wool tops, while one-sixth was made up of washed wool and the remaining one-third to unwashed wool. However, last year, 50 percent corresponded to unwashed wool, while a little over one-sixth was for washed wool and a little under one-third was for wool tops.

## Imports

The drop in imports, which appears to be insignificant when viewed within the total context, becomes significant when one remembers that nearly all categories of imports experienced decreases except for four: vegetable products, electric machines and appliances, transportation equipment and other sections of NADI [expansion unknown].

The rest of the categories registered declines: mineral products, including oil and derivatives, vegetable products, fats and oils, food products, beverages and tobacco, products from the chemical and related industries, plastics, rubber and by-products, paper and related products, textile materials and related manufactured products, and common metals and products made from them.

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EFFECT OF U.S. ELECTION ON SOUTHERN CONE COUNTRIES DISCUSSED

Montevideo EL DIA in Spanish 7 Oct 76 p 1

[Text] In a forthcoming issue, the publication EL SOLDADO (put out by the Military Center) proposes in its international commentary the formation of a front made up of Latin American countries that would act as a "barrier to pressure groups wishing to utilize American influence."

The position, which was leaked abroad, was picked up by organs of the press in neighboring countries, including the Buenos Aires morning newspaper LA OPINION, which published a series of commentaries.

The publication of the Uruguayan military establishment holds that "for the Latin American countries, especially those in the Southern Cone, but for all of them in general, these elections in the United States may be of far-reaching importance."

It points out that "above and beyond the question of who will be named as the new president of the United States, the political tendencies of the American voters will be revealed and we shall then see to what extent public opinion in that country backs certain isolated but real acts of definite hostility committed by the Congress, taking advantage of a supremacy (which would now come to an end) that the legislative branch now enjoys over the executive branch.

It goes on to add that "apart from the American election results, we believe that the main issue will be for the new administration of the United States -- new even in the case Ford should be reelected, for it is an undeniable fact that he would then have the backing not enjoyed previously to go ahead with his ideas -- to be very closely linked to the Latin American countries, which are determined to help one another in the defense of all national reconstruction processes that most of them now face. The new administration must also confirm the economic guidelines of progress and development."

It concludes: "We believe that in this way, a barrier will be erected against pressure groups that wish to use American influence against the legitimate interests of the nations in the Southern Cone of the continent. Furthermore, the foundations will be laid for more fruitful and closer relations with the great power in the Northern Hemisphere."

GOVERNMENT APPROVES SIX PERCENT SALARY INCREASE

Montevideo EL DIA in Spanish 8 Oct 76 p 1

[Text] In action taken yesterday, the government approved a 6-percent general wage increase for public and private activity, set prices on certain goods and services and unfroze others whose establishment was the responsibility of COPRIN [Commission on Productivity, Prices and Incomes]. The wage increase also affects rural workers.

After analyzing the situation of real wages based on elements which, according to official information, "do not take in the number of hours worked or what businessmen voluntarily pay to workers above and beyond minimum requirements," the National Security Council, using its executive powers, resolved yesterday to increase wages by 6 percent generally beginning on the first day of this month.

In the case of the public sector, 5 percent of the increase granted is "vegetative in nature" and the remaining 1 percent will have a corrective effect -- that is, it is designed to maintain the equalization policy.

The minimum monthly wage rose to 260.75 new pesos, while the daily wage rate will not be under 10.43 new pesos. In the case of persons under 18 years of age, the monthly minimum wage is 195.50 new pesos and the daily wage 7.82 new pesos.

Wage Flexibility

In the resolution set forth, it is stated that "the effect of wage increases granted by firms above the minimum rate can be freely carried over into the prices of goods and services not administratively set" by COPRIN.

Freeing of Prices

As previously reported by EL DIA, there was a reduction in the number of products whose prices would still be set in the future by COPRIN. Still subject to control are the following: milk, edible oils, bread (some types), Carolina rice, noodles and pasta, flour, sugar, coffee, herbs, matches,

textbooks, blankets and bedding, certain products from the construction, aluminum, paper and cardboard and pharmaceutical industries, as well as hospitals, mutual benefit societies, laboratories, oxygen and taximeters.

Compared with the resolution adopted on 26 February, products whose prices are being freed are: lard, ravioli and noodles, salt, erasers and pencils, paint, canned tomatoes, quince preserves, canned peas, peach preserves, ham, detergents, stoves and refrigerators, products from the ready-to-wear and textile industry, leather and shoes, movies, rolled iron and certain construction materials. Cigarette prices were unfrozen in July.

#### New Controls

At the same time and confirming the foregoing, ceiling prices were set for articles sold in bars and confectionary stores, which were free of control previously. Included on the list are pizza, cold and hot milk, coffee, tea, nonalcoholic beverages, and so on.

In addition, for products from the processed pork industry, maximum earnings were established for distributors and retailers.

Another provision adopted was that of waiving the requirement to inform COPRIN of modifications in prices. The requirement will only be maintained for certain products, many of which were freed from price controls by the resolution issued yesterday.

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URUGUAY

#### FOUR ARGENTINE COMPANIES BID FOR OIL DRILLING RIGHTS

Montevideo EL DIA in Spanish 7 Oct 76 p 10

[Text] Four Argentine companies presented offers at the bidding called by ANCAP [National Administration of Fuels, Alcohol and Cement] for the completion of exploratory drilling in the Santa Lucia River basin.

On the eve of such drilling, the organization's central building was the scene of the opening of proposals in the presence of the ANCAP manager of planning and development, Walter Postiglione, the coordinator, Dr Pedro Mondino, clerk Anibal Malvar, and representatives of the bidding companies.

The first bid came from Bidas SAPIC (Industrial and Commercial Oil Company) and was presented by Jose Luis Merello Lardies and Oscar Mauri.

The second was from Perez Campac and engineer Eduardo Giudici signed the respective documents.

Enzo Cantini presented the third bid for SAIPEM [expansion unknown] of Argentina.

The fourth and last bid was made by the Astrafor company, represented by engineer Lisandro Guarnieri.

It is common knowledge that the conditions established for the bidding allowed the participation of firms from Argentina, Brazil and Bolivia only. However, no companies from the latter two countries presented bids.

Nor did the YPF [Government Oil Deposits] participate. Only private firms made proposals in the public bidding.

Drilling in December

The four bids presented are now being studied by ANCAP officials.

While there is no definite date on which the contract will be awarded, it is the organization's intention to begin exploratory work in December at the latest.

FIRST SHIPMENT OF FLOUR TO BOLIVIA DEPARTS

Montevideo EL DIA in Spanish 4 Oct 76 p 8

[Article by Juan J. Sosa]

[Excerpts] Nueva Palmira--In a commercial operation between private companies, the first 1,000 tons of flour purchased by Bolivia departed from the local port. Witnessing the operation were the Bolivian ambassador to our country, Dr Marcelo Ostria Trigo, his wife, Daniela Maranon de Ostria, and the counselor to the embassy, Eudoro Vaizaga Ayala.

Loaded on two barges in sacks specially made for the operation, the flour is being shipped to the Brazilian port of Corumba in the state of Mato Grosso. From there, it will go by train to Santa Cruz. It is estimated that the total time of shipment will be 17 days.

Preparations

Some 8 years ago, Ruben Schiavone, the head of Schiavone Mills and Loaf Sugar, undertook negotiations aimed at exporting flour, first of all to Brazil and later to Bolivia. These negotiations came to a successful conclusion and the purchaser of the merchandise, which has a maximum humidity of 15 percent and an ash content of .583 grams -- known on the market as Flour 000 -- is the Bolivian firm of Brasilia SRL [expansion unknown] of Santa Cruz. The firms participating in the export operation are the National Flour Industry Mills, MISA [expansion unknown], the Schiavone Mills, the Nueva Palmira Mills and the Angel Ugarte Industrial and Commercial Mills.

The flour export operation totals 4,000 tons at a rate of 1,000 tons per month until the end of the year. Freight charges are to be paid by the buyer, using the convenient facilities of the Nueva Palmira Port.

The move made by Schiavone Mills was therefore favorably received by officials in the Foreign Trade Division of the Ministry of Foreign Relations, SEGRA [expansion unknown], and the Bolivian Embassy. They facilitated the realization of the large operation now being carried out, one which opens the way to possible similar exports in the future to Bolivia or other markets found for the product processed in our country.

## URUGUAY

### BRIEFS

POSSIBLE EXPORTS TO EGYPT--Uruguay could enter the Egyptian market by selling wheat flour and frozen fish, according to statements made by Egyptian businessman Elias Ibrahim, who has just returned from Cairo. Ibrahim indicated that by means of bids, the Arab nation annually awards the purchase abroad of 30,000 tons of frozen fish. There is also monthly bidding for the purchase of large shipments of wheat and flour. In fact, Ibrahim will meet today with the heads of industrial mills for the purpose of considering the possibility of participating in the coming bidding sessions. When questioned by EL DIA, he said that if Uruguay's prices are adjusted to those of the international market, it would be possible to sell shipments of this product. There is now great interest in selling wheat and flour since surpluses from the previous harvest remain to be sold. Moreover, it is reported that the next harvest will yield even greater surpluses. It is a well-known fact that Egypt has become one of the main markets for Uruguayan meat and there is now a possibility of selling other food products. [Text] [Montevideo EL DIA in Spanish 29 Sep 76 p 1] 11,464

CSO: 3010

OVER 1.8 BILLION SURPLUS IN STATE ENTERPRISES REPORTED

Caracas EL UNIVERSAL in Spanish 9 Sep 76 p 2-26

[Text] Caracas (INNAC)--According to the analysis presented by the Central Bank of Venezuela in its economic report for 1975, the state enterprises--whose financial situation ordinarily shows a deficit--showed a surplus of more than 1.8 billion bolivares for 1975, with expenditures totaling 14,741 million bolivares. There was also a surplus in 1974 amounting to 1,567 million bolivares.

The Central Bank's report emphasizes two important facts. First, there is the fact that the small deficit of 167 million shown by the nonfinancial enterprises is covered by the surplus of 1,971 million bolivares reported by the state financial enterprises. Second, there is the profit of 637 million earned by the iron industry in 1975.

"The profitable management shown by the state enterprises in producing a surplus of 1,804 million bolivares in 1975 is reflected in an increase of 237 million bolivares over the equally favorable results obtained in 1974, which marked a reversal of the persistent deficits traditionally shown by the enterprises. The surplus in question is explained by the level of income and expenditures attained during the fiscal period under review. Those figures total 16,545 million and 14,741 million bolivares respectively, reflecting increases of 27.5 percent and 29.2 percent respectively in comparison with the previous year."

It is important to point out that within the general context of government business activity, the results in question are due basically to the financial enterprises, which earned a surplus of 1,971 million bolivares, while the nonfinancial enterprises showed losses totaling 167 million bolivares. Outstanding among the former are the Venezuela Investment Fund, whose profits totaled 1,474 million bolivares, and the Central Bank of Venezuela with 1,059 million bolivares. Among the factors contributing to the negative results in the nonfinancial enterprises were the losses shown by the National Institute of Sanitation Works, the Venezuelan Petrochemical Institute, and the Venezuelan Nitrogen Corporation.

In comparing these results with those noted for the period from 1971 through 1974, we can see that the surplus balances in the financial enterprises show a rising curve over the past 3 years, indicating a greater availability of resources as well as substantially improved income from their placement of loans and discounts. On the other hand, the nonfinancial enterprises show unfavorable balances for the period from 1971 through 1975, the only exception being 1974. The result for 1974 is explained in part by the special treatment accorded the Farm Marketing Corporation, which, beginning that year, was allowed to treat as current income the payments it receives from the state for carrying out the subsidy and minimum price policy for which it is responsible.

Table V-28  
State Enterprises  
Comparative Table of Income and Expenses  
(in millions of bolivares)

	Financial enterprises		Nonfinancial enterprises		Total	
	1975	1974	1975	1974	1975	1974
Income	4,457	2,219	12,088	10,757	16,545	12,976
Expenditures	2,486	1,355	12,255	10,054	14,741	11,409
Surplus or (deficit)	1,971	864	(167)	703	1,804	1,567

An overall analysis of the state enterprises surveyed for 1975 shows that 28 earned surpluses for a total of 3,197 million bolivares, four show financial equilibrium, and the remaining 20 report losses totaling 1,393 million bolivares. It follows from this that because of the deficits incurred, 38.5 percent of the business units financed a portion of their current expenditures with contributions received from the state.

Among the financial enterprises generating a surplus, the most outstanding position is held by the Venezuela Investment Fund, whose profits totaled 1,474 million bolivares. That organization's positive results for 1975 are a consequence of the interest earned on loans and investments at an annual interest rate ranging between 7 and 9 percent. It is interesting to note that the funds allocated to that institution by the state, and which for the year under review totaled 7,532 million bolivares (42.1 percent less than the amount received in 1974), represent a redistribution of resources from the petroleum sector equivalent to the production of around 627,000 barrels of crude oil. With respect to the Central Bank of Venezuela, the operating statements show a considerable increase in income, due chiefly to the interest earned on foreign transactions and to income from exchange operations. As a result, that institution's profits show an increase of 273 million bolivares (34.7 percent) in comparison with the preceding year, when its profits totaled 786 million bolivares.

In the same way, the combined profits from the Industrial Bank of Venezuela, the National Savings and Loan Bank, the Ministry of Education Social Welfare



Institute, the Maracaibo Commercial Bank, the Agricultural and Livestock Development Bank, the Armed Forces Social Insurance Institute, the regional development banks, and the Municipal Small Loan Institute add up to 134 million bolivares, for an increase of 63 million bolivares over the previous year for that same group. Outstanding for the amount of their profits are the Industrial Bank of Venezuela and the National Savings and Loan Bank, which accounted for 61.2 percent of the above-mentioned total. Among the financial enterprises showing a deficit for 1975, we can mention the National Housing Institute, the Agriculture and Livestock Credit Institute, the Venezuelan Corporation of Guayana, the Venezuelan Development Corporation, and CENAZUCA [expansion unknown]-Main Office, which reported a combined loss of 656 million bolivares, 221 million bolivares more than the same group reported for 1974. The increased deficit came about basically because the first two of the above-named institutes, in a recent reorganization, wrote off the bad debts they had on their books. Also, the Venezuelan Corporation of Guayana absorbed a sizable portion of the administrative and financial expenses of the nationalized iron enterprises during the period under review, and the Venezuelan Development Corporation, in addition to not collecting dividends from its affiliated firms--the same thing happened in 1974--was obliged to make restitution of capital to some of those affiliated firms.

The deficit for the fiscal period under review as reported by the 29 business units making up the universe of nonfinancial enterprises stands in contrast to the surplus obtained in 1974, even though 14 of them show a surplus totaling 523 million bolivares. Outstanding in this respect, among others, are Orinoco Mining and Steel (SIDOR), Caroni Aluminum Corporation (Alcasa), and the Venezuelan Petroleum Corporation (CVP). Those three combined show a positive balance of 181 million bolivares, compared to the 375 million bolivares reported by the same group for 1974 (a decrease of 51.7 percent).

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VENEZUELA

NO BUDGET ALLOCATIONS FOR INVESTMENT FUND, PETROVEN, OR URBAN DEVELOPMENT

Caracas EL UNIVERSAL in Spanish 12 Oct 76 p 2-1

[Text] Caracas (INNAC)--The Ministry of Finance announced yesterday that the reason why the capital expenditure item in the preliminary budget for 1977 shows a drop of 6,649.5 million bolivares is that contributions or transfers under that heading to the Venezuela Investment Fund and the Venezuelan Petroleum Corporation respectively have been eliminated. The ministry also points out that the amount allocated to current expenditures is virtually within the limits established for such increases under the guidelines included in the Fifth Plan of the Nation.

The Ministry of Finance explains: "Of the total estimated expenditures for 1977, the central government will allocate 21,347.7 million bolivares to current expenditures. This is 1,239 million bolivares more than in 1976. At the same time, capital expenditures, which total 9,201.4 million bolivares, reflect a decrease of 6,649.5 million bolivares in comparison with 1976. Lastly, 5,086.6 million bolivares have been allocated to the public debt. This is 1,450.9 million bolivares more than in 1976."

The Ministry of Finance says, "As far as current expenditures are concerned, it should be emphasized that they represent an increase of 6.2 percent over the 1976 amount, or slightly more than 1 percent over the amount established by the Fifth Plan of the Nation as the year-to-year rate of increase for this type of expenditure. In absolute terms, this means an increase of 1,239 million bolivares, in which the expenditures for the ministries and presidential and legislative offices are rising by 1,594 million bolivares, while funds allocated to current transfers are decreasing by 355 million bolivares.

"In relative terms, the increase in expenditures applying to the ministries and presidential and legislative offices amounts to 12.1 percent, in contrast to the transfers, which are decreasing by 5.1 percent.

"As regards the former--that is, the ministries and presidential and legislative offices--the major portion of the increase is being absorbed by expenditures for personnel and goods and services, the combined figure for which is rising by 1,479 million bolivares. Also significant is the rise in transfers

to the universities and institutes of higher education, inasmuch as another 228 million bolivares are being added to the 1976 figure of 2,036.2 million bolivares, giving a total of 2,264.2 million bolivares for 1977. In transfers to individuals, an increase of 182 million bolivares is provided, as a result of which the total is rising from 869.8 million to 1,051.8 million bolivares. Lastly, under the heading of international transfers, a decrease of 295 million bolivares is expected for a total of 130.4 million bolivares.

"The heading of 'other current expenditures' appears in the preliminary budget for 1977 with an allocation of 6,621.9 million bolivares. This amounts to 18.6 percent of the total and is 355 million bolivares less than was allocated in 1976, when it represented 15.9 percent of the allocated expenditures. Under this item of expenditure, the regional institutions will receive 2,949.7 million bolivares, an increase of 94.3 million bolivares over the estimated figure of 2,855.4 million bolivares for 1976.

"The decentralized institutions will receive 2,982 million bolivares--or 8.4 percent of the central government's budget--in order to finance their operating expenditures. This is 19.6 million bolivares more than was allocated to them for the same purpose in 1976. And lastly, expenditures in connection with economic subsidies will be covered by an allocation representing 1.9 percent of the budget or 690.2 million bolivares.

"As far as capital expenditures are concerned, their volume, as we said, shows a decrease for 1977, affecting principally the central government's financial investment and direct investment. In view of the particular and changing nature of those investments, a decrease of 6,639.8 million bolivares is estimated for 1977, chiefly because there is no allocation in the budget for the Venezuela Investment Fund, the Venezuelan Petroleum Corporation, or the Urban Development Fund, but also because contributions to the Industrial Credit Fund and the Agriculture and Livestock Credit Fund are lower than they were for this year.

"Direct investment, which consists of 'Administrative Investment, Works Projects,' shows an overall decrease of 1,093.5 million bolivares, with the budget allocation dropping from 4,287.7 million to 3,194.2 million bolivares."

The ministry concludes by saying that the estimate for the public debt totals 5,086.6 million bolivares and represents an increase of 1,450.5 million bolivares in comparison with 1976. Most of this will be absorbed by service of the public debt, to which 11.4 percent of the budget, or 2,116.1 million more than in 1976, is being allocated. An estimated 956.6 million bolivares will be used for payment of the management contracts, and 71 million bolivares are provided for the payment of administrative debt.

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VENEZUELA

PETROVEN CHIEF TAKES POLITICAL ORDERS, REJECTS PARTISAN INFLUENCE

Caracas EL NACIONAL in Spanish 8 Oct 76 p D-1

[Interview with Gen Rafael Alfonzo Ravard, chairman of Petroven, by Alfredo Pena; date and place not given]

[Text] "At the Venezuelan Petroleum Corporation [Petroven] we accept political directives emanating from the national executive branch, but at the same time we reject partisan influences. We are convinced that when responsibility is given to one of the state's top managers, his responsibility must be accompanied by full authority and independence in the exercise of his duties."

That is the feeling of Gen Rafael Alfonzo Ravard, a military man who has a great deal of experience in managing state firms and who for 20 years headed the Venezuelan Corporation of Guayana, an enterprise characterized by its high productivity and administrative efficiency. As is known, Ravard is now head of the state's number one enterprise: Petroven.

Rafael Alfonzo Ravard feels that the basic problem facing our country is the training of its human resources. He feels that important programs have been carried out in this respect, but that the programs underway for this purpose must be intensified even further.

The chairman of Petroven was questioned concerning the problems presented by bureaucracy in our country. He spoke with this writer, but he expressed no clear and definite opinion in response to the question. He responded to our questioning with the greatest care, but at the same time he did not fail to mention principles that guide his conduct--or the conduct that ought to be adopted when one is at the head of a state corporation. But he was emphatic in pointing out that where managerial functions in state firms or institutions are concerned, external pressures--that is,

those from outside the corporations in question--should not be permitted, since their acceptance would hinder attainment of the goals laid down and of the objectives previously chosen.

[Question] It has been said that the political parties have "politicized" or are attempting to "partisanize" the bureaucracy.

[Answer] In my opinion, bureaucracy is simply the human resource placed at the service of the state. It is therefore a question of the mass of men and women who carry out productive tasks in the enterprises that generate wealth or in those that provide the community with indispensable services. It is my own opinion that the state enterprises--and this is the case with us in Petroven--must accept the general political guidelines laid down by the state. They are expressed, for example, through the plans of the nation. But on the other hand, acknowledging the general political direction decided on by the national executive branch does not in any way mean tolerating partisan or political influence within the firm itself--that is, in its internal productive structure. Such a thing would not be proper because it would hinder the plans and programs which must be fulfilled ahead of all other considerations.

[Question] What is the line of conduct pursued by the Venezuelan Petroleum Corporation?

[Answer] We accept the state's political directives, but we reject partisan or political influences. Of course, in rejecting political or partisan penetration, we are not denying the control which the state exercises over a firm such as ours and which is fundamental to it.

In discussing with us a few rules for the management of public institutions, Gen Alfonzo Ravard commented as follows:

[Ravard] I consider it basic and fundamental that when a man or a team of men are given such a responsibility, he or they must at the same time be invested with full authority and autonomy in carrying out the duties involved. If you tell someone: "Produce for us so many articles of such and such a kind and of the best quality within a specific period of time," you must be aware that the manager selected to carry out the assigned task must have full freedom to choose those he considers most competent. But if you then begin to tell me things such as "Hire so-and-so or what's-his-name because they are relatives of mine or acquaintances of a close friend," you will be causing serious harm to the planning of the person previously made responsible for the operation.

[Question] Highly competent men in the private sector have been transferred to the public sector, where their performance has not been as effective. What happens to cause such a situation?

[Answer] When such a thing happens, it is because they permit others to alter the management system that worked successfully for them before. I repeat that when a person accepts responsibility, he must demand full authority and total autonomy. Those who have failed following a previously brilliant record and then return to private production make comments such as: "If I had done this or that," or "I should not have permitted such and such a thing." In short, when they review their performance, they find that they did not manage things the way they had planned.

[Question] Please formulate a few ideas which, in your opinion, would contribute to greater efficiency in the state institutions--to be specific, in public administration.

[Answer] The problem is a difficult one. It is not at all easy. Apart from what I said before, I feel that in any firm the concept of responsibility must be very clear and definite. Also, the objectives to be achieved must be crystal-clear in their expression. The rules for personnel selection are a very important aspect. And also incentive, evaluation, and promotion when the employee's work merits it. In short, each individual's performance of his duties will give him greater experience, and selection will occur in a progressive manner: each individual will occupy the spot that fits him. But it is very important that the employees know that the evaluation in question corresponds to the effort put forth in productive work and is not based on extraneous motivations. In that way, everyone will feel encouraged in what he is doing.

[Question] And as regards the available human resources, what is the situation in the public sector?

[Answer] The country urgently needs to train its human resources. Any effort made in that direction is fully justified. The solution for overcoming this lack will be possible in the long term if we carry out the plans and programs that can lead us to it.

[Question] What is being done to train the personnel we need?

[Answer] It would be unfair not to recognize what has been done. In various ways the state has stimulated the establishment of specialized institutes and has set up programs conducive to overcoming this great difficulty. Thus, for example, we have the National School of Public Administration, the National School of Finance, and the scholarship systems in all disciplines--with priority being given to technical careers. In addition, courses and seminars have been offered, our young people are taking postgraduate courses in national and foreign universities, and so on. But everything that has been done is still not enough. In the development of human resources, we must persist and redouble our efforts, because the country's future depends on it. Human development is the great national task of the moment.

We in Petroven have said, "More important than the national fixed asset represented by the nationalized petroleum industry is the human resource that

has been formed over these past 60 years in which we have been exploiting hydrocarbons." In other words, the tremendous value of the industrial plants and other installations that the state has recovered from the transnational companies through its nationalization effort is far inferior to that great asset represented by the technicians, professional people, and workers who have been trained with patience and tenacity during the period mentioned. Our mission is to see to it that the quantity and quality of this human resource now entrusted to us are maintained at the level required by this extremely modern industry.

[Question] But you yourself have managed state enterprises that have not produced losses, but profits, and furthermore they have not been accused of excessive bureaucracy. How has this been possible?

[Answer] There is nothing magic about it. All one has to do is apply modern principles of management. "The great secret of industry is team discipline." I have great faith in the ability of human beings to give the best of themselves, but naturally, the methods of promoting and evaluating the individual must be correctly applied. The political levels must be kept separate from the administrative levels.

[Question] Do the new plans for the nationalized petroleum industry contemplate any increase in personnel?

[Answer] The internal preparation of plans and programs for expansion aimed at keeping the production capacity of the Venezuelan petroleum industry at adequate levels corresponding to the requirements of the country's economic development requires changes in the refining patterns at our refineries, and for that purpose we will need some technical personnel.

General Ravard did not reveal the number of personnel being sought by our industry to ensure fulfillment of the plans covering the next 5 years. But he recalled that while at one time the petroleum industry had more than 800 geologists experienced in the exploration of new areas at its disposal, it now has only 260.

[Ravard] In order to increase exploration activity, we need experienced people. We will need technical personnel because over the next 5 years we must try to increase our reserves of crude oil (especially light petroleum) and undertake the necessary development and outfitting work aimed at maintaining the production levels that have been established.

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PETROVEN REPORTS NEW HIGH IN DAILY PRODUCTION

Summary of Operations

Caracas EL UNIVERSAL in Spanish 21 Sep 76 p 2-22

[Text] Petroven, the state-owned Venezuelan petroleum corporation, has released its first report of operations, covering the first 6 months of 1976. The corporation's president, Gen Rafael Alfonzo Ravard, pointed out at the time the report was released that during the time covered by the report, Petroven's main concern was assuring the industry's operational continuity, optimal marketing of Venezuelan hydrocarbons worldwide and minimizing dislocations due to the major structural changes involved in transforming an industry run for years by multinational companies into a state-owned industry. General Alfonzo maintains that Petroven has succeeded in imparting two elements to industry operations: normalcy and dependability. Operational normalcy, he says, is due to the dedication and spirit of the employees of the subsidiary companies at all levels as well as of the corporation's officers.

The dependability is a result of the seriousness of purpose with which Petroven has carried out business relations with customers.

General Alfonzo said further, "This leads us to believe that operations in the remaining months of 1976 will be very good. The crucial factor of our success has been the assistance we received from all sectors of the nation and the complete absence of political considerations in our internal decision-making process. It is on the basis of these encouraging results that we are able to predict a promising future replete with outstanding opportunities for our nation's mainstay industry."

A summary of operations for the first 6 months of 1976 follows:

Exploration. Some 20 exploratory wells were drilled, mostly in an effort to find light crude in Cretaceous formations under Lake Maracaibo at around 5,000 meters down. Some located good-quality hydrocarbon reserves which will be evaluated further by new outpost and development wells. Throughout the nation, more than 5,000 kilometers of seismic surveys were taken in an effort to pinpoint possible areas of interest to the petroleum industry.



Production. During the past 6 months, national daily oil production reached an average of 2,200,400 barrels.

Petroven's proven reserves have basically remained constant as new reserves discovered by outpost and development wells have kept up with production.

At the same time, production potential has remained at 2,700,000 barrels per day.

Refining. Refining volume has passed the million-barrel-a-day mark. The year began with a volume less than 600,000 barrels per day.

Plans for changing the pattern of refining have been drawn up for the Amuay, Cardon, El Palito and Puerto La Cruz Refineries.

International Marketing. Export sales reached an average of 2,056,000 barrels per day, of which some 730,000 barrels were processed, and sales to new customers increased substantially.

The Domestic Market. A bill revising the Domestic Market Act has been drawn up and will be considered by the National Congress before year's end.

The larger subsidiary companies began production of their own lubricants.

Research. An Administrative Board was created for the Venezuelan Institute of Petroleum Technology, and its staff is being organized. Six applied research projects have been begun.

Financing. Sales during the first half of 1976 reached 18.32 billion bolivars. Tax revenue generated (tax on income and royalties) amounted to 14.94 bolivars.

Petroven's net income for the first half was 1.186 billion bolivars, which will go to finance investments required in 1976.

Petroven's expenditures have remained within the limits that were absolutely necessary, and reflect the prudence with which the national industry has been administered.

#### Sustained Growth in Oil Production

Caracas EL UNIVERSAL in Spanish 26 Sep 76 p 1-1

[Text] National oil production, averaging 2,274,115 barrels per day this year as of 22 September, showed a notable increase last week. According to figures based on statistics furnished by the Ministry of Mines, there was an increase of 103,660 barrels per day for the week ending 22 September, with an average production for the week of 2,487,531 barrels per day.

The increase resulted from pressures applied by international demand for petroleum and its derivatives, as far as can be determined from official circles and from the petroleum industry itself. In official circles, it was learned that if average daily production remains at last week's level for the 100 days remaining in the year, which was 2,487,531 barrels per day, the overall 1976 average (January through December) will be 2,335,000 barrels per day, which would be a net increase of 335,000 barrels per day above the 2 million barrels per day envisioned for 1976 in the Fifth National Plan.

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REFINING PATTERN CHANGE APPROVED BY PETROVEN

Caracas EL NACIONAL in Spanish 1 Oct 76 p D-5

[Interview in Punto Fijo with Julio Cesar Arreaza, deputy chairman of Petroven, by Virgilio Arteaga H.; date not given]

[Text] Punto Fijo, 30 Sep--The deputy chairman of the Venezuelan Petroleum Corporation [Petroven], Dr Julio Cesar Arreaza, told EL NACIONAL during a discussion here concerning the state of relations between that parent firm for the petroleum industry and the Ministry of Mines and Petroleum that those relations are developing in an atmosphere of mutual cordiality and understanding. He added that, as is natural in the first stages of nationalization, an attempt is being made to define spheres of activity.

Questioned as to the petroleum industry's performance record in this first year of nationalization, Dr Julio Cesar Arreaza said:

"The best thing we can show the country is the normal way in which the industry's operations are being carried out and the fact that we are selling abroad the shipments of petroleum that provide the necessary revenues for development."

He recalled that before nationalization, there had been a slump in petroleum exploration because the firms had suspended their investments in exploration due to the uncertainty that the process of reversion and nationalization involved for them.

Arreaza explained, "But now we are placing great emphasis on exploration. A large share of our budget has been earmarked for those programs."

[Question] What stage have the programs for changing the refining patterns reached?

[Answer] We in the Venezuelan Petroleum Corporation have already decided to begin the projects for switching refining in the various refineries. Of course, it should be realized that this is a process that will take a number of years. It is not something we can achieve overnight, but we have already specifically approved the studies aimed at changing the refining pattern, and we are going to put that pattern into effect at our principal refineries. We are already working on the matter.

[Question] How do things stand with the plans for producing benzene-toluene-xylene [BTX] in Paraguana?

[Answer] You will recall that the president of the republic placed the Venezuelan Petroleum Corporation in charge of new petrochemical developments. We are already taking the necessary steps in conjunction with the refinery managers in Paraguana in order to carry out that mission, and the result is that in time the BTX plant will become a reality.

[Question] How is the water shortage affecting the refineries?

[Answer] On this point I cannot give you any specific information. What I can tell you is that the firms operating here in the area will receive full support from the Venezuelan Petroleum Corporation in dealing with the problem. The people at the head of Maraven [expansion unknown] and Lagoven [expansion unknown] are experienced in solving these problems.

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## VENEZUELA

### VAST HYDROELECTRIC PROGRAM LAUNCHED

Caracas EL NACIONAL in Spanish 29 Sep 76 p D-9

[Article by J.G.]

[Text] As a result of the program that has been formulated and that is now being analyzed by the National Energy Council, Venezuela will become Latin America's principal producer of hydroelectric energy within about 10 years.

The program being examined by the council, which is to issue its opinion as an advisory body to the state in energy matters, includes the principal projects that have now been worked out. Some of those projects are already in the execution stage.

#### Development of Caroni River

The report submitted to the National Energy Council for its consideration points out that in 1977--next year--the first stage of the Guri project will be completed and in operation. Its installed capacity of 2,065,000 kilowatts, added to the 370,000 kilowatts from Macagua I, will produce a total of 2,435,000 kilowatts. This stage consists of the first powerhouse, equipped with 10 generators (three of 175,000 kilowatts each and seven of 220,000 kilowatts each). The seventh unit will have a capacity of 340,000 kilowatts and the others--numbers 8, 9, and 10--will have a capacity of close to 400,000 kilowatts each after the water in the reservoir rises to its final level.

The final stage of the Raul Leoni Dam in Guri will be built between 1975 and 1983. It will consist of a second powerhouse accommodating 10 large-sized generators--660,000 kilowatts each--and these, added to the 10 units in the first powerhouse, will give a total exceeding 9 million kilowatts. It is expected that this goal will be fully achieved sometime around 1987. According to the estimates, the national installed capacity will then amount to some 15 million kilowatts, more than 61 percent of which will be provided by the Lower Caroni hydroelectric complex, for which the CVG [Venezuelan Corporation of Guayana]-EDELCA [expansion unknown] will be responsible.

The report to the council points out that despite this big problem [as published], plans are going ahead for the total development of the energy

potential of the Lower Caroni River. Those plans include the necessary installations for increasing the installed capacity at the lower falls, across from Ciudad Guayana, by more than 1 million kilowatts. This is part of the expansion program for the Macagua I Dam.

There are plans to build two more powerplants in addition to those at Guri and Macagua I. They will be Caruachi (1.76 million kilowatts) and Rio Claro or Tocoma (1.1 million kilowatts). CVG-EDELCA will then have completed its installations for complete utilization of the potential on the Lower Caroni River, estimated at some 13,175,000 kilowatts. Venezuela will thus maintain its position, with an even greater margin, as the Latin American country with the highest production and consumption of electricity per capita, and it will also take its place among the leading countries in terms of absolute figures.

#### Other Projects Presented

In this hydroelectric program, whose basic purpose is to diversify energy sources for domestic consumption and reduce the use of hydrocarbons and which has now been submitted to the National Energy Council, the following projects are also mentioned, in addition to the Caroni River projects.

**Uribante-Caparo Project:** The basic objective of this development project is to produce electric energy for supplying a portion of the country's western zone. The zone in question corresponds to the territory covered by the systems operated by CADAPE [Electrical Administration and Development Company] and ENELVEN [expansion unknown] in the western region of the country. It includes the states of Zulia, Trujillo, Tachira, and Merida in addition to high western plains in the states of Barinas and Portuguesa. Provision has been made for the possibility of supplying energy to the state of Falcon and, in Colombia, to the northern part of the department of Santander and the Guajira Peninsula.

**Caura River Hydroelectric Project:** Located on the Caura River in the state of Bolivar, the primary objective of this project is to produce electric energy for integration with the National Interconnection System. Roughly, it is estimated that multiple development for hydroelectric purposes could eventually result in a potential on the order of 4,000 megawatts.

**Cataniapo River Hydroelectric Project:** The possible site of the dam and powerplant is located on the Cataniapo River some 50 kilometers from Puerto Ayacucho in the Amazonas Federal Territory. The objective here is the production of electric energy for supplying the demand in that city and its surrounding area, in addition to the towns of Puerto Paez and Samarlapo. It also includes the development of recreational areas for the promotion of tourism.

**Capaz River Hydroelectric Project:** According to preliminary studies, the damsite could be located on the Capazon River in the state of Merida, 700

meters downstream from the confluence of the Blanco and Capaz rivers at the site known as Salto Superior. Its basic purpose is the production of electric energy, but it also offers the possibility of irrigation for approximately 65,000 hectares. The drainage basin above the damsite covers 242 square kilometers, and the average annual rainfall in that basin has been calculated at 1,400 mm.

**Bocono-Tucupido Project:** This project is moving ahead as part of the joint CADAPE-MOP [Ministry of Public Works] program for the development of hydroelectric resources. It is located in the states of Portuguesa and Barinas approximately 50 kilometers from the city of Guanare. The full project consists of one 80-meter-high earth dam over the Bocono River and another earth dam (this one 115 meters high) over the Tucupido River. The two reservoirs will be connected by a channel to form a single lake with a capacity of 3,590 million cubic meters. The chief purpose of this project is to provide irrigation for a total of 190,000 hectares (150,000 hectares from the Bocono and 40,000 hectares from the Tucupido), but at the same time it would produce electric energy amounting to 340 x 10 kilowatt-hours or more, depending on the degree to which the irrigation system is developed.

**Agua Viva Project:** This project is also part of the program being carried out jointly by CADAPE and the MOP. Those organizations have agreed that the Agua Viva Hydroelectric Plant will be located within the boundaries of the state of Trujillo at the place where the Pan-American Highway intersects with the Maracaibo-Valera branch road. The hydraulic development consists of building a reservoir to regulate the Motatan River for the purpose of developing irrigation at El Cenizo.

**Las Palmas-Las Majaguas Project:** The Cojedes-Sarare irrigation system is located approximately 240 kilometers west of Caracas in Venezuela's west central region, at the point where the states of Portuguesa, Lara, and Cojedes come together. It consists of these reservoirs: Las Majaguas (completed), Las Palmas (under design), and Las Margaritas (in preparation). The planning and execution of this project is being shared by CADAPE and the MOP.

The basic intention with this system is to utilize the stored water for the irrigation of 90,000 hectares, flood control, and the development of fishing and recreation, as well as the possible production of hydroelectric energy. For the purpose of energy production, the Las Palmas and Las Majaguas reservoirs will have a head of 70 meters that could be exploited through a system of repumping.

**Orinoco River Project:** On 25 April 1973 the Ministry of Public Works, the Venezuelan Corporation of Guayana, and the National Canalization Institute signed an agreement to coordinate studies of the Orinoco River and its tributaries, especially as regards planning, scheduling, the collection of field reports, studies by means of hydraulic, physical, and mathematical models, and other types of investigation in order to determine as far as possible the behavior of the structures being planned by each of those organizations

for the overall development of the river system, especially as regards navigation, flood control, land reclamation, and hydroelectric development.

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TOTAL RESTRUCTURING OF FARM PRICES RECOMMENDED

Caracas EL UNIVERSAL in Spanish 8 Sep 76 p 1-17

[Resolution approved by the FEDEAGRO National Council at its meeting ended on 7 September 1976]

[Text] The National Council of FEDEAGRO [National Federation of Agricultural Producers] concluded its deliberations yesterday afternoon by adopting recommendations and resolutions. It decided to renew its request to the executive branch for a total restructuring of farm prices and for the adoption of other measures aimed at stimulating national production.

In their new request for a revision of prices, the producers presented the situation in the following terms.

In the opinion of FEDEAGRO, this question is a crucial point among the shortcomings responsible for the crisis in the farm sector in this country.

We have said that for approximately the past 16 years, various government measures and the series of price adjustments that industry, commerce, and the service firms have had to adopt as a consequence of inflation during that period--and especially during the past 5 years--have brought about an indiscriminate process of severely and continuously rising farm production costs.

Basically, those measures have been the following: first, the 1959 measure increasing the exchange rate of the bolivar, which went from 3.35 to 4.40 bolivares to the dollar and resulted in higher prices for the commodities and investment goods used by agriculture. The increases ranged from 35 to 116 percent. There was also the increase in the price of gasoline, oil, grease, and replacement parts. None of those price increases was offset by government action to raise farm prices at the grower level. Such offsetting adjustments would have made it possible to absorb the increases completely.

Later, the minimum wage was raised and a new social security system covering rural workers was adopted. Those actions increased the cost spiral even further, but the necessary compensations to offset them were not provided.

The upward trend is growing from month to month, and it is possible that the extension of social security to rural workers will add further ingredients to the process.

To this situation must be added the disasters due to weather conditions and especially the lack, as one example, of fertilizer and lime for winter sowing plans and those in the north. The result has been a drastic reduction in the area sown and the assumption of increasing risks. This means that the small and medium-sized farmers will experience delays in their work, and the result will be new liabilities and failure to meet those they have already contracted, leading to interest charges on delayed payments and renewed notes and the consequent legal injunctions.

All the facts briefly presented here mean that improved farm prices at the producer level are a basic requirement for our activity and that the national government must not delay the adoption of a definite policy to that end, since new, better, and remunerative prices are the necessary concomitant to the measures concerning financing, equipment, infrastructure, and so on that have been adopted by the national government.

So far, the current administration has adopted specific measures which have relieved this cost-price relationship, but the accumulated effect of 16 years of deficit in that relationship as far as the producer is concerned--and at the producer's sole expense--has deprived him of the effective scope for recouping his losses and making a comeback that those measures have provided. Consequently, it is necessary to adopt the following recommendations:

1. The urgent need to implement a full restructuring of farm prices, because such restructuring constitutes the principal inducement for attaching new values to the Venezuelan rural world and will clear up the uncertainty which has always surrounded the possible financing of our activities by commercial banks.

2. The alternative to this improvement in farm prices should be considered. It would consist of adopting other sets of measures which, by favoring the producer with respect to the supply and use of input items--seed, fertilizer, freight costs, and so on--will lead to a sizable reduction in his production costs.

3. Effective supervision of all marketing and middleman operations should be instituted for the purpose of preventing all speculative prices--practices for which the farm producer is in no way responsible.

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HUGE ZINC, LEAD, COPPER, SILVER FINDS REPORTED IN MERIDA

Caracas EL NACIONAL in Spanish 10 Oct 76 p D-5

[Text] The Ministry of Mines and Petroleum announced yesterday that it has discovered large deposits of zinc, lead, copper, and silver in the Tapias Gorge in the state of Merida. The ministry has worked out a plan for exploiting the deposits at an initial investment of 105 million bolivares.

The official announcement appeared in the ministry's weekly bulletin. It explained that the Tapias Gorge is located in the extreme southwest of the valley between Tovar and Bailadores and that its slopes contain large deposits of zinc, lead, copper, and silver. The announcement reports that the Ministry of Mines and Petroleum has been studying the geological and mining possibilities of those deposits since 1970, but that they were the object of small-scale exploitation during the last century.

The ministry also says that the deposit is located at a distance of 10 kilometers from Bailadores in the state of Merida's Rivas Davila District, which borders on the Lake Maracaibo region and which is linked to central Venezuela by asphalt roads. As far as the origin and nature of the deposit are concerned, the geological studies show that it is volcanic in origin and presents features similar to those that have been worked in Canada. In its morphology the deposit is tabular and of the vein type, its general bearing is N40°E, and it presents a steep dip that varies between 60 and 70 degrees in the south. The mineralized structure exceeds 3 meters in width and in some places reaches 10 meters. The proven reserves, as determined by drilling, range between 3 and 4 million metric tons, while the estimated potential may reach 6 million metric tons. The average content of the ore per ton is estimated at 13.5 percent zinc, 3.5 percent lead, 10 percent copper, and 1.5 grams of silver.

The Ministry of Mines and Petroleum also announced that studies have been made concerning the type of exploitation that may be developed. There is discussion concerning the full-scale exploitation of the deposit with an initial investment of 105 million [bolivares]. The ministry's program has already gone beyond the purely exploratory stage.

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## VENEZUELA

### BRIEFS

MENEVEN 1976 OIL PRODUCTION--Barcelona, 7 Oct--The Meneven [expansion unknown] Incorporated petroleum enterprise has announced here that it is fulfilling 100 percent of its predicted average production for this year with a yield of 400,000 barrels daily from the deposits it operates in the eastern and western zones. Engineer Lorenzo Monti, manager of the Puerto La Cruz District, said that the current daily production in the east (San Tome) amounts to 270,000 barrels, while in the west (Lagunillas-Zulia) it comes to 130,000 barrels. The refining figure for Puerto La Cruz is 140,000 barrels, and this, he added, represents a 30-percent increase over the average quantity refined in 1975. In giving a preliminary report on the yields being recorded by that firm in this first year of the nationalization of petroleum, Monti told reporters that the current production of 400,000 barrels daily represents 20 percent of the figure of 2.3 million barrels, which is the national average reported by Petroven [Venezuelan Petroleum Corporation] and the Ministry of Mines and Petroleum. To illustrate his figures, he added, "That means that we are fulfilling 100 percent of our prediction for the current year." In the year of the nationalization of petroleum, he said, the average figure for crude oil refined at Puerto La Cruz by Meneven has risen from 110,000 to 140,000 barrels per day, and this is considered optimum by that petroleum enterprise. [Text] [Caracas EL NACIONAL in Spanish 8 Oct 76 p D-9] 11798

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